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## Reagan Is Warned Of More Big Deficits

By David Hoffman

WASHINGTON — President Ronald Reagan and his cabinet have been told that, despite the new spending cuts approved by Congress last week, federal deficits are likely to exceed \$200 billion for at least the next two fiscal years without further action, according to administration officials.

## Reagan Kills Plan to Cut Aid to Farms

By Peter T. Kilborn

WASHINGTON — Reagan administration officials say they are searching for a new approach to the increasing problems of farmers and their bankers while putting aside the White House's earlier plans for fundamental changes in government agriculture programs.

Political restraints have led President Ronald Reagan to largely abandon for now his plan to overhaul the U.S. farm economy by reducing government regulation, including price supports. At the same time, administration officials say they have begun to consider other measures to help farmers.

Some of the plans under consideration, like a federal bank to take over bad loans to farmers, depart from the broad sweep of Mr. Reagan's program to reduce the role of government in the economy.

Reviewing agriculture's problems in a speech to farmers last week in Cedar Rapids, Iowa, Agriculture Secretary John R. Block said the administration did not yet have a solution to the debt issue.

Weak farm prices combined with the emerging unwillingness of the House and Senate agriculture committees to make major changes in basic farm support laws, which are up for renewal this year, portend heavy federal spending for agriculture.

From less than \$10 billion a few years ago, annual outlays to support commodity prices and farmers' income rose to a record \$18.9 billion in 1983. Although this spending fell to \$7.4 billion in 1984, for technical reasons officials say are not likely to recur, an increase to \$16.8 billion is estimated for fiscal 1985, which ends Sept. 30.

Under present law, the estimate for 1986 is \$15.2 billion and for 1987, \$16.7 billion.

Spending for the other major part of the federal agriculture program, loans by the Agriculture Department's Farmers Home Administration, has risen to \$3.6 billion in this fiscal year from \$1.7 billion in 1983 as farmers have defaulted on more than half the agency's loans.

The FHA, the lender of last resort for farmers, has increased the number of its loans. In part because of this, more farmers than expected have apparently received operating credit this year, but farm

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## Pretoria Considers Reforms

U.S. Is Reported  
'Encouraged'  
By Vienna Talks

United Press International

WASHINGTON — South Africa is considering policy changes because of growing racial violence, U.S. officials said Friday.

Reagan administration officials said they were encouraged by two days of confidential talks, held at the U.S. Embassy in Vienna, but cited an urgent need for talks between the white-minority government and black leaders in South Africa.

The White House national security adviser, Robert C. McFarlane, briefed President Ronald Reagan on Thursday's meeting between himself and other U.S. officials and Foreign Minister R.F. Botha of South Africa.

The White House spokesman, Larry Speakes, said that the South Africans had said they were considering a policy review that could take weeks. Asked if the South Africans had spelled out possible changes in their laws mandating racial separation, Mr. Speakes replied, "They discussed some specifics, yes."

"I would think we are encouraged by what we're hearing," he said.

A second meeting between Mr. Botha and the U.S. assistant secretary of state for African affairs, Chester A. Crocker, was held Friday.

"To its credit the South Africans are taking into consideration the views of the United States government and of other countries," Mr. Speakes said. "We expect this process in South Africa to continue for a matter of days, perhaps weeks."

But he said he did not know if or when any actual policy changes might be announced by the Pretoria government.

A senior Reagan administration official said there was reason to believe that one of the elements of a South African announcement would be opening a "dialogue" between the government and opposition leaders.

(Mr. Botha said Friday on arrival in Frankfurt for talks with West German officials that the state of emergency declared by Pretoria

last month would be lifted as soon as his government brings civil strife under control. The Associated Press reported.

"[As soon as we succeed in getting the position under control in those few areas where turbulence does occur," he said, "the emergency measures will be lifted." Mr. Botha also said that the South African government would continue to consider reforms, but declined to elaborate.

CBS News reported that in the first meeting, the United States warned South Africa that unless it gives more concessions to blacks, it will "be difficult for the Reagan administration to defend its friendly policy toward the Pretoria government."

A State Department official, requesting anonymity, was asked if any pressure was put on South Africa, and replied: "The United States stated its views with candor, very straightforwardly."



Robert C. McFarlane

An angry crowd of 1,000 blacks armed with sticks and knives moved through the township of KwaMashu on Friday during violent conflicts with Indians in the Durban area. Above, Foreign Minister R.F. Botha of South Africa after his arrival for talks Friday in Frankfurt.



## Blacks, Indians Clash as Durban Toll Reaches 54

By Glenn Frankel

Washington Post Service

DURBAN, South Africa — Armed Indian vigilantes clashed repeatedly with black rioters here Friday. At least 30 more people were killed in what has now become the worst violence in the country since the current political unrest began 11 months ago.

Some of the worst fighting was in Phoenix township, northwest of Durban, where mobs from the two sides fought with rocks, clubs and machetes at the Gandhi Settlement, then looted and burned the site. The settlement was founded by Mohandas K. Gandhi, who led the independence movement in India after leaving South Africa in 1914.

The toll Friday from four days of violence around Durban was at least 54 dead and as many as 1,000 injured, according to police and hospital reports. Other corpses may lie amid the charred ruins of houses and shops in townships that even the police and army do not enter.

There are 821,000 Indians in South Africa, compared with a black population of nearly 17 million.

The conflict between them presents South Africa's white-ruled government with a new crisis only two days after police spokesmen were claiming that violence in the country had eased since a state of emergency was declared on July 21 in 36 cities and towns.

Police said they were imposing a curfew in the eastern part of Cape province under the state of emergency imposed last month. Reuters reported from Port Elizabeth. Some of the worst violence has been in the eastern Cape area.

[Colonel Gerrie van Rooyen, the local police commander, said he had ordered a curfew in black townships from 10 P.M. to 4 A.M. The state of emergency does not cover the Durban area.]

The black-Indian violence casts doubt on President Pieter W. Botha's reported plan to announce political reforms at his ruling party's provincial congress here next week.

Analysts say that Mr. Botha had hoped a return to relative peace would allow him to go ahead with

the proposals without appearing to have given in to pressure.

The political dimensions of the crisis were underlined Friday in a tough statement by one of the area's principal leaders, Chief Buthelezi, whose Zulu followers roamed the streets of several townships Friday battering opponents with spears and clubs to enforce an uneasy peace.

Chief Buthelezi, a political moderate caught between the rightist white government and its leftist opponents, condemned the unrest and the radical black factions he claimed were behind it. But he emphasized his view that the main culprit was the government because of its refusal to negotiate genuine reforms with black leaders.

"We are as much reaping the whirlwind sown by white political ineptitude as that sown by those committed to violence for political purposes," he said.

"Just as it was wrong for blacks to turn again into murder and destruction," he said, "it was wrong for whites to maintain a political system in which rising black anger was an inevitable consequence of the whites' refusal to share power."

■ Outbreak Tied to Slaying  
Alan Cowell of The New York Times reported from Inanda township.

The violence in Durban started on Tuesday night, apparently linked to protest among black activists about the assassination of Victoria Mxenge, a black civil rights lawyer.

But since then the unrest, taking place far from the areas around Johannesburg and Port Elizabeth under the state of emergency, has taken a different turn, seeming to lose direction in a morass of racial hatred between blacks and Indians recalling the massacre of 142 Indians by Zulus in 1949.

"This is not 1949," a young Indian shouted Friday after his colleagues fired shotguns at a black crowd. "This is 1985 and we are ready for them."

"As soon as we chase them on one side," a white police officer said, referring to black

(Continued on Page 2, Col. 5)

## In Ugandan Stronghold, Rebels Await Concessions

By Mary Anne Fitzgerald

Washington Post Service

FORT PORTAL, Uganda — This quiet town in western Uganda, in the shadow of what are called "the mountains of the moon," has been ruled by Yoro Kings, British colonists and several Ugandan governments. Now it takes orders from a tall young man in camouflage fatigues.

His nom-de-guerre is Fred Rwigyema, and he is acting commander of the National Resistance Army, a guerrilla group led by former Defense Minister Yoweri Museveni. The group had been waging war for more than four years against the now-deposed Ugandan government of Milton Obote.

Mr. Rwigyema led his troops into an unresisting Fort Portal on July 22, five days before the leader of the military coup, Brigadier Basilio Olara Okello, dispatched his Acholi soldiers to take Kampala.

Mr. Museveni, who is believed to have an estimated 8,000 fighters compared to about 20,000 in the Ugandan Army, is the linchpin in negotiations to form a government that would return the country to civilian rule through elections promised a year from now.

The ruling military council of Lieutenant General Tito Okello,

who is not related to the brigadier, has offered Mr. Museveni four seats in a proposed 28-member cabinet. Mr. Museveni is holding out for higher stakes. He wants half the seats in the military council.

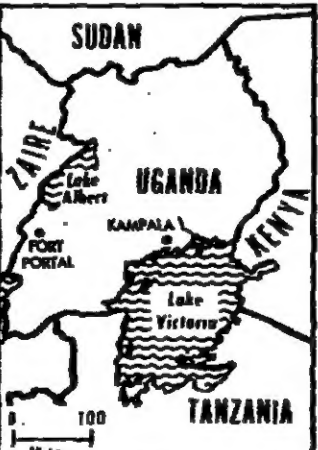
Mr. Museveni has been playing hard to get. At the time of the coup he was in Sweden, where he was thought to have gone on an arms-buying trip. Since then he has been sending messages to Uganda's new regime by unusual means, including an interview with the British Broadcasting Corp.

He was defense minister in the caretaker government that prepared the 1980 elections returning Mr. Obote to power. But he fared badly at the polls, coming in third. Since then, he has been waging a war against the government.

Two reporters, who traveled the 200 miles (320 kilometers) west from Kampala to Fort Portal after the town fell into guerrilla hands, found that the guerrillas operate freely throughout a large part of western Uganda.

Guerrilla officers said that they did not back General Okello's government.

When asked if they endorsed the appointment of Paul Semugere, the Democratic Party leader, as minister of internal affairs, a guer-



Fort Portal, Uganda, is the stronghold of the National Resistance Army.

rilla spokesman replied, what have the party leaders "done for democracy? We are its true defenders."

The new strength of the guerrillas can be traced to disension in the Ugandan Army rather than to the guerrillas' military strength.

Major Okwera, the Acholi commanding officer in this town, was told in July that he was the target of an assassination squad of junior officers of the Lango tribe, dispatched by Mr. Obote, a fellow Lango.

Major Okwera routed the assassins, then fled to join the Acholi troops of Brigadier Okello. Brigadier Okello subsequently captured Kampala. Major Okwera was killed in a fight between Acholi and Lango troops days before the coup.

## IRA Backer, At Funeral, Defies Ban

The Associated Press

LONDON — Ignoring a British ban for the second consecutive year, an American IRA sympathizer, Martin Galvin, soaked into a funeral procession of about 2,000 mourners Friday and helped carry the coffin of an IRA man.

Mr. Galvin joined the procession for about 100 yards before disappearing back into the crowd. Police had little chance to arrest him, and there was a report that they were under orders not to try.

He appeared a second time in the city Friday evening, eluding the police to meet with reporters for about 20 minutes.

Last year, a man was killed and 20 persons were injured when police tried to arrest Mr. Galvin at a Belfast rally charged a crowd.

Mr. Galvin, who is publicly director for the New York-based Irish Northern Aid Committee, walked for about 100 yards Friday alongside Martin McGuinness, an official of the Irish Republican Army's political wing, Sinn Fein.

Mr. McGuinness was one of two men featured in a British Broadcasting Corp. television documentary on Northern Ireland that was canceled last week by the BBC Board of Governors following a government request.

Mr. Galvin's appearance at the funeral followed a night of violence throughout the province by IRA supporters marking the 14th anniversary of the practice of holding suspects without trial. The practice was dropped in 1978.

Mr. Galvin helped carry the coffin of Charles English, 21. Police said Mr. English was killed Tuesday when a grenade launcher he was holding during an attack on a police patrol exploded.

## On Aug. 9, 1945, Smog Saved a City

By Clyde Haberman

New York Times Service

KITAKYUSHU, Japan — The once-independent city of Kokura, now carved into two wards of this industrial center, is the lucky stepchild of Japan's nuclear suffering.

It is the city that escaped the atomic bomb, and even now, 40 years later, it looks back with a bittersweet mixture of relief and guilt common among many survivors.

On Aug. 9, 1945, a B-29 bomber called Bock's Car set out from Tinian Island in the Marianas with the intention of reducing Kokura and its 130,000 people to cinders. The U.S. military's "short list" of candidates for nuclear attack contained the names of four cities — Hiroshima, Kokura, Nagasaki and Niigata. Three days earlier, Hiroshima was destroyed. Now it was Kokura's turn.

The crew of Bock's Car was under strict orders to have a clear view of its target, a huge arsenal that supplied the Japanese Army with everything from bullets to bombs.

But up high, in Bock's Car, the target could not be seen. Haze and smoke kept it hidden. Three times, the B-29 passed over the city with its bomb bay doors open. Each time, the bombardier, Kermit Beahan, looked in vain for the arsenal and announced, "No drop."

Finally, low on fuel and starting to receive flak from the ground, Bock's Car abandoned Kokura and darted west to its secondary target.

At 11:02 A.M. that Aug. 9, it dropped a plutonium bomb, dubbed Fat Man, on the graceful port of Nagasaki. It was Nagasaki that gained the unhappy distinction of becoming the second city to suffer a nuclear attack. Kokura became a footnote.

Months later, word spread about what might have been, and "people felt, of course, like they'd had a narrow escape," according to Saburo Yonezu, a local historian.

"We have complicated feelings," Mr. Yonezu said. "We are half grateful that we survived. But the other half is that we also feel sorry that Nagasaki suffered instead of us."

The arsenal is gone now, replaced by a city of 400,000. (Continued on Page 2, Col. 5)



The observance Friday at Nagasaki of the bombing.

## Nagasaki's Bells Toll and Doves Fly To Honor 70,000 Killed by A-Bomb

Reuters

NAGASAKI, Japan — Five hundred white doves were released Friday as 74,000 people joined to commemorate the atomic attack on Nagasaki 40 years ago.

Bells tolled at 11:02 A.M. in Buddhist temples and Christian churches to mark the exact time that a U.S. B-29 bomber dropped "Fat Man," the atomic bomb that killed an estimated 39,000 people immediately and perhaps 40,000 more since the bombing.

Participants included mayors from 81 communities in 23 countries attending the First World Conference of Mayors for Peace through Intercity Solidarity, jointly sponsored by the mayors of Hiroshima and Nagasaki.

The mayors agreed in a statement to call for an early opening of the third special session of the United Nations General Assembly devoted to disarmament.

They also called on "the heads of nuclear superpowers of the United States and the Soviet Union, as part of the summit talks scheduled for this fall in Geneva, to visit Hiroshima and Nagasaki to realize the true nature of the atomic bombings."

## INSIDE

■ Arabs ended a summit in Morocco without endorsing a Palestinian-Jordanian plan for peace talks. Page 2.

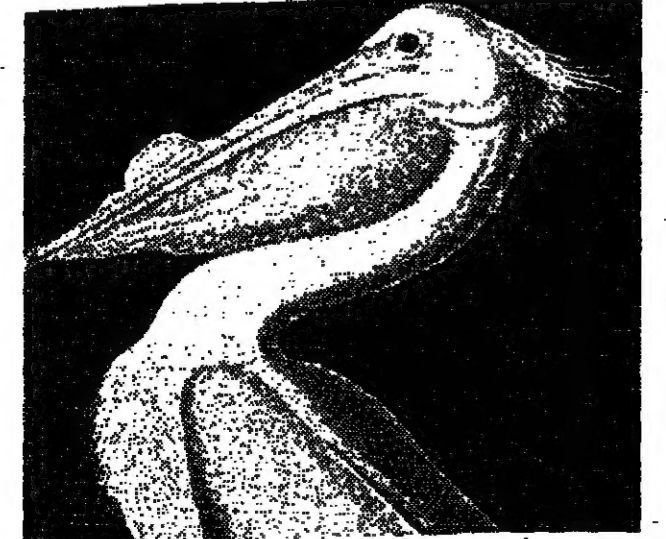
■ In the first trial of an alleged U.S. Navy family spy ring, Arthur J. Walker was found guilty on all counts. Page 6.

■ Japan's trade surplus fell in July but rose to a record against the United States. Page 9.

■ Hollis Brothers PLC said it had abandoned a plan to acquire Sinclair Research. Page 9.

## MONDAY

As the dollar slips, there is new interest in bonds denominated in European currency units. In Personal Investing.



Detail from "the American white pelican" in "The Birds of America" by John James Audubon. The bicentennial of his birth is being honored in London with an exhibition at the Natural History Museum. Page 7.



## Arabs, Ending Summit, Reject Peace Talk Plan Of Jordan and the PLO

**CASABLANCA**—Arab leaders ended an emergency summit Friday, failing to endorse a Palestinian-Jordanian proposal for peace talks with Israel, despite an appeal by King Hussein of Jordan that they back it.

Instead, the two-day meeting's final resolution reiterated support for a plan adopted at the Arab League summit meeting in Fez, Morocco, in 1982.

That plan called for an independent Palestinian state and peaceful coexistence of "all states of the region."

The summit meeting here was marred by the absence of five Arab states, including Syria, which boycotted it to protest the Feb. 11 agreement between King Hussein and Yasser Arafat, the PLO chief. The agreement calls for preliminary talks with the United States leading to peace negotiations with Israel designed to lead to a Jordanian-Palestinian confederation. Some Arab critics have said that such a confederation would be less than an independent Palestinian state.

Also, six Arab heads of state, including King Fahd of Saudi Arabia, did not attend personally, but sent representatives. The Arab League's secretary-general, Chadi Klibi, who announced the final resolution, said: "We have noted with appreciation the ample explanation that King Hussein and Mr. Arafat gave about the harmony of the Palestinian-Jordanian plan with the Fez plan."

"We reiterate the need for unanimous Arab abstention by the spirit and resolutions of Fez's plan," he added.

Mr. Klibi said the delegates supported the idea of seeking a comprehensive solution to the Middle East problem through an international summit conference within a UN framework, including the United States and the Soviet Union

and the Palestine Liberation Organization.

King Hassan II of Morocco called the summit meeting chiefly to discuss the Palestinian issue and the Palestinian-Jordanian agreement.

Sixteen Arab League delegations attended. In addition to Syria, Algeria, Lebanon, Libya and South Yemen boycotted the session.

The summit resolution made no mention of reconciling differences between the PLO and Syria, which supports PLO factions that have split away from Mr. Arafat's mainstream El-Fatah group.

The resolution urged the PLO and Lebanon to "cooperate and coordinate" to protect Palestinian refugees in Lebanon, hundreds of whom have been killed in recent months in battles with Syrian-backed Shiite Muslim militiamen.

Mr. Klibi announced the formation of a committee including representatives from Saudi Arabia and Tunisia to reconcile differences between Jordan and Syria and also between Iraq and Syria.

He announced another committee formed by representatives from Morocco, the United Arab Emirates and Mauritania to reconcile differences between Iraq and Libya and the PLO and Libya.

Mr. Klibi said the summit "condemns" Iran's refusal to accept any peace proposals in its five-year war with Iraq. He reiterated threats that Arab countries would "reconsider" their relations with Iran if the war continued, and pledged continued financial support to Iraq.

**Peres Tells of Peace Plan**

Prime Minister Shimon Peres said Thursday that Israel intended to offer self-government to Palestinians in the occupied West Bank as an opening position if peace negotiations began with Jordan. The Associated Press reported from Tel Aviv.



Martin McGuinness, left, and Martin Galvin flanked the coffin of an IRA member Friday.

## IRA Backer Defies Ban to Attend Funeral

(Continued from Page 1)

gram will be re-edited and broadcast later.

Several members of Britain's governing Conservative Party claimed Mr. McGuinness's appearance alongside Mr. Galvin vindicated Home Secretary Leon Brittan's request to the BBC not to show the documentary.

"It shows how wise the home secretary was to say that this sort of man should not appear on British television," said John Stokes, a Conservative member of Parliament.

Mr. Galvin refused to say how he crossed into Northern Ireland from the Republic of Ireland. "I've simply come to pay my respects at a funeral," he said. "I have nothing else to say."

Police in armor-reinforced jeeps were only 200 yards (about 180 meters) away but no move was made to break into the procession. Press Association, Britain's domestic news agency, said the decision not to arrest Mr. Galvin was made

at the highest level to prevent more trouble.

Sinn Féin supporters hailed Mr. Galvin's appearance as a triumph against British security forces. Protestant leaders expressed outrage that Mr. Galvin evaded the ban.

The Reverend Ian Paisley, leader of the hard-line Democratic Unionist Party, said: "It shows that the British government have not the will to rigorously apply their own laws against Republicans."

Meanwhile, police clashed with protesters in several towns late Thursday and Friday. They said they hit six persons in western Belfast with plastic bullets. One man had head injuries. Thirty-eight persons appeared at Belfast Magistrate's court Friday charged with disorderly behavior and rioting.

Four incendiary bombs exploded on a northbound Dublin-to-Belfast express train Friday shortly after it had been evacuated in Newry, just north of the Irish bor-

der, police said. They said four of the cars were gutted by fire. Police evacuated the train after a radio station in Newry received a warning call from the Irish National Liberation Army, an offshoot of the Irish Republican Army.

## Blacks Clash With Indians In Durban

(Continued from Page 1)

crowds, they go to the other side and start more trouble."

Indian traders had a different perspective, reflecting a mood among Indians that white authorities had abandoned them.

"Where's the army," an Indian man wielding a shotgun shouted as his home caught on fire. "I'll tell you where the army is. It's protecting the whites, not us."

There were strange counterparts in the Durban area as the violence spread.

As homes blazed at dawn, a dozen white surfers lolled on their boards, awaiting a first, big wave of the day in the Indian Ocean. At dusk, white joggers headed for the seashore, to run past racially segregated beaches.

It was at a farm in the Phoenix township that Gandhi developed his theories of nonviolent protest. But those theories have only relevance to Friday's looting, which left a stamp of violence on a place of peace.

The windows of his former home, a small square house with white walls and a pink corrugated roof, were smashed and commemorative photographs of his life lay outside, trampled and broken.

In a library and museum, books had been torn from shelves, and in the debris, there lay a sign that read: "Mahatma Gandhi's Chair." The chair itself had been looted.

## Christians, Togo Tribes Must Coexist, Pope Says

The Associated Press

**PYA, Togo**—Pope John Paul II cheered by crowds singing in Polish, "We Greet You," urged Togo's Christians on Friday to live in peace and harmony with the 70 percent of the population who follow tribal religions.

Tens of thousands of people turned out to see the pope as he arrived in the northern part of this West African country to meet with President Gnassingbé Eyadéma and to ordain 11 priests.

In remarks at the president's residence, the pope stressed the Roman Catholic Church's desire for harmony with Africa's tribal religions.

"In its fidelity to the Bible," John Paul said in French, "the church thereby helps to weave ever closer links of solidarity and mutual respect between the social and ethnic groups, between different cultures and religions and among the nations of the entire world."

In the mid-1970s, General Eyadéma, a Protestant, embarked on a campaign of "African authenticity," changing his own first name from Etienne to Gnassingbé and compelling other Togoese to adopt African names. He ran into opposition from local Catholic bishops, some of whom were arrested.

Since then, he has relaxed the campaign considerably.

The pope, on the second day of his 12-day African tour, appeared to respond to the contention of some Africans that Christian churches are Western-run vestiges of colonialism.

"The church is not an enterprise of purely human inspiration," he said. "It is alien to every kind of temporal competition."

The church's mission, he said, is to spread the "gospel of love of God" and to help guarantee individual liberty.

The pope told General Eyadéma that the Christians of Togo were dedicated to their country.

"Mr. President," John Paul said, "you know that the authorities can always count on the loyalty of Christians toward their terrestrial homeland. They know the tasks that await them as citizens."

General Eyadéma welcomed the 65-year-old Polish-born pontiff with a warm speech, stressing the "singular honor" the visit had given Togo.

The pope spent an hour in private talks with the president. Later, John Paul ordained 11 Togoese priests in Kara, eight miles (13 kilometers) from Lomé.

More than half of the 182 active Roman Catholic priests in Togo are white expatriates and the development of African-born priests has been one of the major challenges facing the church in Africa.

The pope's visit will take him to the Ivory Coast on Saturday, then to Cameroon, the Central African Republic, Zaire, Kenya and Morocco.

## WORLD BRIEFS

### Paris Still Studying Role in Jet Fighter

**PARIS (Reuters)**—Defense Minister Charles Hernu of France has postponed an official visit to Japan to give him time to study a proposal for France to retain a role in building a joint West European fighter plane, the ministry said Friday.

West Germany, Britain and Italy decided last week to go ahead with the \$30-billion venture and gave France and Spain, which were involved in the early discussions, until the middle of August to decide whether to join. France wants a lighter aircraft than do Britain, West Germany and Italy. Spain has said it would take part only if France did.

In Madrid, a Defense Ministry spokesman said Friday that Spanish contacts were continuing between the five countries involved.

### Marcos Says an Exile Must Face Trial

**MANILA (UPI)**—President Ferdinand E. Marcos said Friday that opposition leader, Raul Daza, must face subversion charges if he returns to the Philippines. Mr. Daza is reportedly on his way home from 12 years of self-exile in the United States.

Mr. Daza and several other persons were charged with subversion, arson and homicide in some 1979 fires attributed to a rebel group calling itself the "Light-A-Fire Movement." He is suspected of involvement in the group, although he was said to be in the United States that year. The group was accused of setting blazes that sank a casino ship in Manila Bay and damaged three five-star hotels in Manila.

### Lebanese Shiite Wary of Gemayel

**BEIRUT (Reuters)**—Nabih Berri, the leader of the Shiite Muslim militia Amal, was quoted Friday as having said that President Amin Gemayel's stand on political reform in Lebanon gave little cause for optimism.

"Our experience with the regime does not encourage one to be optimistic," Mr. Berri told the Beirut newspaper Al-Kalika. Mr. Gemayel said after meeting with President Hafiz al-Assad of Syria on Thursday that he hoped that broad outlines for a new constitution and political system in Lebanon could be agreed upon soon.

Mr. Gemayel's talks in Damascus followed the formation this week of a national unity front of Muslim parties and moderate Christians, demanding an end to Lebanon's sectarian political system as a basis for ending civil war in the country.

### Freed U.S. Activists Arrive in Nicaragua

**SAN CARLOS, Nicaragua (AP)**—Twenty-nine U.S. peace activists who said they were kidnapped Wednesday by rebels fighting the Nicaraguan government, and 18 journalists traveling with them, arrived here safely Friday after reportedly being held captive for a day in Costa Rica. The activists said they were freed Thursday.

The Winnes for Peace group said Friday that "independent anti-communists" rebels abducted their members at gunpoint Wednesday near an abandoned rebel camp. The group had been traveling on the San Juan River, which divides Nicaragua and Costa Rica.

Based on radio conversations they had with the group, Winnes for Peace spokeswomen in Managua had identified the rebels earlier as members of the Revolutionary Democratic Alliance, the second-largest of four anti-Sandinist insurgent groups.

### Activists Stymie Danish Expulsion Bid

**VIBORG, Denmark (AP)**—Sixty-nine peace activists have been jailed here and the authorities say they may not be freed until they identify themselves by names other than Hiroshima and Nagasaki. The activists were arrested after climbing fences around two Danish air bases during demonstrations tied to the anniversaries of the U.S. atomic bombings of the two Japanese cities.

The police said they had orders from the Justice Ministry to expel the protesters. "But without passports it's very complicated to expel an alien," a police official said. About 40 demonstrators who did produce passports were expelled Thursday to Britain and West Germany.

In Stockholm on Friday, seven demonstrators occupied the Danish Embassy for about seven hours to demand the activists' release.

### 8 Nations Consider a Warning to U.S.

**LA PAZ (LAT)**—A meeting of Latin American foreign ministers has been called to consider issuing a regional warning to the United States against military intervention in Nicaragua.

The meeting, to be held Aug. 28-29 in Cartagena, Colombia, is an expanded version of the Contadora group. That group is comprised of Mexico, Panama, Colombia and Venezuela, which have been working together to forge a Central American peace and security agreement.

The foreign ministers of Brazil, Argentina, Peru and Uruguay — in La Paz for the inauguration of President Victor Paz Estenssoro of Bolivia — met Tuesday with the foreign ministers of the Contadora nations. Also on hand were Presidents Raúl Alfonsín of Argentina, Belisario Betancur of Colombia and Julio María Sanguinetti of Uruguay.

### For the Record

Two missing Italian climbers were found frozen to death Friday in the Swiss Alps, rescuers said.

Spain's first two legal abortions were performed Friday in the northern city of Oviedo, hospital officials said. The abortions were done there after doctors in the nearby city of Gijón refused to perform them. (Reuters)

The International Telecommunication Union has opened a six-week conference in Geneva to seek ways to assign positions in a thin band of space for a growing number of geostationary satellites. (Reuters)

## U.S. Warned On Deficits

(Continued from Page 1)

cabinet members some flexibility to choose priorities, but insisting they also seek domestic cuts and program eliminations that Mr. Reagan wanted but which Congress rejected this year.

In explaining the higher deficit projections, Mr. Wright told the president and cabinet that Congress used old economic assumptions that showed stronger growth than has been experienced in recent months. Using the administration's latest assumptions, the deficit would be over \$200 billion for the next two years. If the consensus of 40 well-known economists is used, the deficit would be over \$200 billion for three years, he was quoted as saying.

A second reason for the higher deficits is the expectation that congressional appropriations may substantially exceed the budget resolution, and that Congress will vote supplemental appropriations in the next few years that were not contained in the resolution.

Finally, the new deficit estimates assume Congress may add more spending for such measures as the farm bill, toxic waste cleanup and food stamps next year, officials said.

### Mitterrand, Kohl to Meet

**PARIS**—President François Mitterrand of France and Helmut Kohl, chancellor of West Germany, will meet in France on Aug. 24, a government spokesman said.

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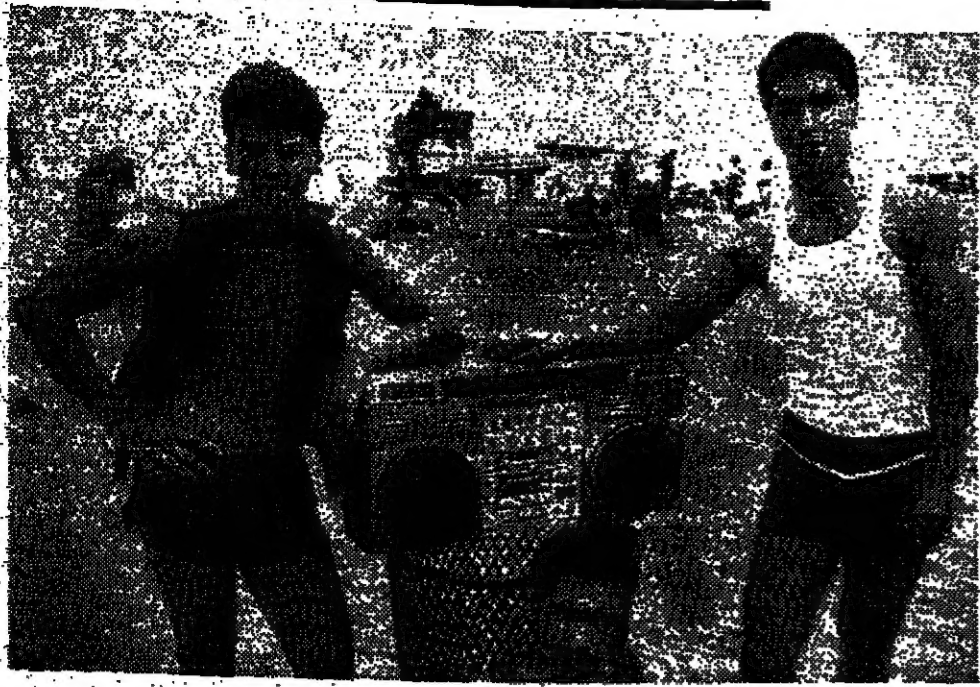
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## AMERICAN TOPICS



In some areas of New York "boom boxes," are banned. At Coney Island, Raymond Dechirio, left, Elliot Reyes and Michael Reyes say they like their music loud.

## Summertime Tunes: Koch Lowers Boom

For bathers who can take the heat but not the din of pop-music hits said Coney Island, a beachhead of serenity has been established in New York this summer: radio-free zones.

Nearly a half-mile of the city's 14 miles (22.6 kilometers) of beaches and 15 of Central Park's 840 acres (338 hectares) are covered by the ban, which took effect May 27. People playing radios in these areas without earphones are subject to a \$50 fine and may have their radios impounded.

"The law doesn't restrict your right to have a radio," said Mayor Edward I. Koch. "It simply restricts your right to play a radio in areas where it might annoy other people."

Large, heavy radios with powerful speakers, called "boom boxes" are the primary targets of the ban, established in response to hundreds of complaints in recent months, according to Henry J. Stein, the city's parks and recreation commissioner. Since the zones were established, said a spokesman for the parks department, six persons have been cited and nearly 50 warnings have been issued.

Public reaction to the ban has been mixed. Some savor the silence of the quiet zones, while

others give the mayor a thumbs down for lowering the boom. "I can't wear any jewelry here," said Dolores Viciola, listening to a small portable radio at Coney Island. "I'm afraid of you know, chain snatchers. I'm sitting here worried that someone will steal my hubcaps. The beaches are dirty, and there aren't any restrooms. And Koch worries about radios? Give me a break."

## IRS Tracks Students Defaulting on Loans

Faced with billions of dollars in defaults on student loans, the federal government is pulling out "the ultimate trump card" to collect—the Internal Revenue Service. The Department of Education announced last week that it had asked the IRS to help recover about \$5 billion in overdue loans by withholding the debtors' tax refunds.

"This is a major step which should show loan defaulters that we are dead serious about collecting these debts to American taxpayers," said Secretary of Education William J. Bennett in announcing the crackdown, which could recover an estimated \$50 million in outstanding debts this year.

Notices will be mailed telling debtors they have 60 days to be-

gin making payments on their loans. If a debtor fails to do so, the department will ask the IRS to withhold his federal income tax refunds up to the outstanding amount of the loan.

Nearly a million debtors—former undergraduate and graduate students who borrowed from the Federally Insured Student Loan and National Direct Student Loan programs—will be affected.

## Short Take

In its first major marketing change in 53 years, the Zippo Manufacturing Co. has unveiled a new upscale cigarette lighter tailored for the trendy yuppie market. Zippo, renowned for the classic windproof lighter and its unconditional guarantee, will introduce in September "Contempo," a refillable butane model.

The new model will sell for \$29.95 to \$39.95, as opposed to the \$6.95 to \$10.95 retail price of the standard Zippo, but the company has no intention of phasing out the traditional lighter. "I tell our sales people, 'Don't forget to dance with the date that brings you,'" said Robert Galey, president of Zippo.

Compiled by AMY HOLLOWELL

## Ex-CIA Chief Criticizes White House for Aid To Nicaraguan Rebels

Compiled by Our Staff From Dispatches

WASHINGTON—Members of Congress and the head of the CIA during the Carter administration have criticized the direct involvement of the National Security Council, a branch of the White House, in aiding anti-government rebel operations in Nicaragua.

The Reagan administration acknowledged Thursday that officials on the council were directly involved in aiding the insurgents, who are seeking to overthrow the Sandinist government in Nicaragua.

Administration officials and President Ronald Reagan said, however, that the administration had not violated U.S. laws regulating covert operations or prohibiting direct American assistance to the rebels.

"It just makes it unmistakably clear that it's our war," said Representative Anthony C. Bonfante, a California Democrat and member of the House Permanent Select Committee on Intelligence. "They are waging it in every way except with American troops."

Stanford Turner, who headed the Central Intelligence Agency and was an adviser to the National Security Council as President Jimmy Carter's director of central intelligence, said that "it's most improper" for the National Security Council to play a role similar to one that Congress had barred the CIA from performing.

"It may not break the law," he said, "but it's ridiculous when the CIA had to be kept at arm's length from the contras to have another arm of government doing exactly the same thing."

The criticism came in response to news reports Thursday that the rebels, who are often referred to as contras, had been receiving direct military advice from officials on the council in an operation run by a military officer in the White House.

The reports said the officials had begun giving the advice last year after Congress refused Mr. Reagan's request for more military aid.

Congress also barred any "agency or entity of the United States involved in intelligence" from helping the rebels militarily.

Representative George E. Brown Jr., a Democrat of California and member of the House Intelligence Committee, said the National Security Council was not exempt from the ban because the current CIA director, William J. Casey, also serves it as an adviser.

"They're up to their ears in intelligence," Mr. Brown said of the council. He added, however, that it would be difficult for Congress to investigate the council's role because the principle of executive privilege prevents presidential advisers from being forced to testify.

He said that, nonetheless, the intelligence committee and the House Judiciary Committee might investigate the council's role. He said its actions could involve "aiding and abetting violations of the Neutrality Act," which bars attacks on governments at peace with the United States.

Mr. Brown said the possible offenses "could be impeachable" if they were proved, but he doubted Congress would press an investigation that might lead to such a confrontation.

"We're not violating any laws," Mr. Reagan said Thursday in signing legislation that provides \$27 million in nonmilitary assistance to the rebels over the next two years. The measure was part of a \$25.4-billion foreign aid bill.

Larry Speakes, the White House spokesman, said, "No member of the National Security Council staff has, at any time, acted in violation of either the spirit or the letter of existing legislation dealing with U.S. assistance" to the rebels.

(NYT, AP)



A policeman stands guard near a car used in a bombing in front of a Lima police station.

## Lima Police Detain 1,400 After Rebel Attack

The Associated Press

LIMA—Peruvian police have detained nearly 1,400 people in response to a rebel attack that blacked out the capital and injured four people when a car bomb exploded.

Meanwhile, the Peruvian government has extended for 60 days a state of emergency that was first imposed more than four years ago in 25 Andean provinces.

The government said Thursday the extension was necessary because "terrorist attacks continue against lives and private and public property."

The blackout and bombings Thursday were the first in Lima since President Alan García Pérez

took office July 28. He has pledged to seek negotiations with the Shining Path, a Maoist guerrilla force, to end political violence that has taken at least 5,000 lives since 1980.

Major Luis Cuba Quintana, a spokesman for the Civil Guard, Peru's national police force, blamed the attacks on the Shining Path, the largest of three rebel groups operating in Peru.

The major said that the police detained 1,390 people in Lima's slums on Thursday for questioning.

A spokesman for Electroperu, the national power company, said that rebels dynamited a tower carrying power lines 30 miles (48 kilometers) east of Lima. That attack left the city and its port of El Callao

in darkness for more than an hour late Wednesday. Some neighborhoods still were without electricity Thursday.

Electroperu said the power failure affected an area of the Pacific coast from the port of Chimbote, 250 miles north of Lima, to the desert city of Ica, 185 miles south of the capital. The company said workers were checking the power system for other evidence of sabotage.

A car bomb exploded Wednesday outside the office of the Lima prefect, who is in charge of maintaining public order. A policeman and three women were hurt, the authorities said.

## Louise Brooks Dead at 78; Ex-Film Star

The Associated Press

ROCHESTER, N.Y.—Louise Brooks, 78, a star of silent films in the 1920s and 1930s, has died at her home here of a heart attack.

Miss Brooks, a cult figure in Europe and the United States who shunned Hollywood after she had appeared in two dozen films, was found Thursday in her apartment.

The daughter of a Kansas lawyer, Miss Brooks began as a dancer while in her teens. She appeared on stage in New York in the Ziegfeld Follies and George White's Scandals. "I learned to act while watching Marlene Graham dance," she said. "and I learned to move in film from watching Chaplin."

After her film debut in 1925, she quickly gained stardom and a cult following in flapper movies of the era. She appeared in the 1928 films "A Girl in Every Port" and "Beggars of Life."

Miss Brooks, known for independence and contempt for the American film industry, later said that intelligence and seriousness were handicaps. "I found myself looked upon as a literary wonder because I read books," she wrote.

Of Hollywood, she wrote: "There was no other occupation in the world that so closely resembled enslavement as the career of a film star."

In the late 1920s, she went to Europe, where she remains popular through revivals of her films. G.W. Pabst, the German director, guided her as Lulu in "Pandora's Box" and its sequel, "Diary of a Lost Girl."

■ Other Deaths: David Golden, 77, executive producer of the film "Love Story" and production manager of "Kramer Versus Kramer" and "Fame," Wednesday in Oregon after an automobile accident.

Dr. Murray A. Geisler, 68, an authority on military logistics and operations research, Tuesday of leukemia at his home in Los Angeles. He pioneered a method of supplying spare parts for military aircraft at bases around the world. Grayson Hall, 58, a stage, television and film actress who was nominated for an Academy Award in 1964, Wednesday of cancer at New York Hospital.



Louise Brooks

sion and film actress who was nominated for an Academy Award in 1964, Wednesday of cancer at New York Hospital.

## New Reagan Plan on Shuttle Price May Hinder Role of Private Industry

By Thomas O'Toole

Washington Post Service

WASHINGTON—The Reagan administration, which had suggested that space should be open to private enterprise and that the space shuttle might be turned over to industry, sent Congress a new shuttle pricing policy last week that could make it uneconomical for private industry to take that step.

The pricing policy is designed to help the shuttle compete with the European Space Program's commercial satellite launch program.

For the three years starting Oct. 1, 1988, the White House said it wants to auction the shuttle's cargo bay to foreign and commercial customers at a minimum rate of \$74 million for a full bay.

This would mean that owners of

three satellites could share a mission and pay the National Aeronautics and Space Administration a little less than \$25 million each for use of the shuttle, or about \$1 million more than they now pay for shuttle launches.

Arianespace, a subsidiary of the European Space Agency, charges \$25 million to launch a satellite using the Ariane booster rocket.

The new pricing policy represents a victory for NASA and a defeat for the U.S. Transportation Department. The department had argued for a full-bay price no lower than \$129 million, which it said would encourage private industry to get into the launch-vehicle business on its own.

At least two companies want to

compete with NASA and Ariane-space.

General Dynamics Corp. has signed a letter of intent with NASA to use the Atlas-Centaur rocket, and Transpace Carriers Inc. has signed to use the Delta rocket to carry satellites. The companies have said they cannot compete with a shuttle price of less than \$40 million to send up a single satellite.

The Transportation Department argued for a higher shuttle launch price to improve industry's bargaining power. NASA, however, said that a higher charge would send customers to Ariane-space, which has booked more than a third of the world's future commercial satellite launches. Four years ago Ariane-space had less than 20 percent of the commercial market.

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Richard M. Nixon

## Nixon Limits Travel After Operation

By William R. Greer

New York Times Service

NEW YORK—Richard M. Nixon has curtailed his public schedule after a complication arose from surgery he underwent on Aug. 1 to remove a large cancerous tumor from behind his left ear, according to his administrative assistant.

John Taylor, the assistant, said that the former U.S. president was forced to postpone an appointment in Washington on Thursday with the Pakistani ambassador. Mr. Nixon had scheduled the meeting in preparation for a trip to Asia later this month.

Mr. Taylor said Thursday that Mr. Nixon also had to miss a dinner at the Chinese Embassy on Wednesday night.

Mr. Taylor said that Mr. Nixon's doctor, Dr. Philip G. Prioleau, told him Thursday morning to remain at home, to cut back his schedule and to return to the doctor's office in New York daily for observation. Dr. Prioleau performed the surgery.

Dr. Prioleau said the cancer, a basal cell carcinoma, was similar to but much further advanced than one removed from President Ronald Reagan's nose on July 30. The doctor said the tumor was about an inch long and was removed in a four-hour procedure.

The complication arose because of an anticoagulant Mr. Nixon was taking for pleuritis, an inflammation of the veins that can cause blood clots. Dr. Prioleau said that as a result of the drug Mr. Nixon began bleeding under a skin graft covering the wound.

Dr. Prioleau said Mr. Nixon had stopped bleeding by the time he examined him and changed his dressing Thursday. Dr. Prioleau said the bleeding did not pose a serious health threat.

## Gas Container Blast Injures 14 in Greece

The Associated Press

ATHENS—Police blamed a leaky gas container in a basement kitchen for an explosion Thursday at a seaside hotel near the Athens airport that injured 14 persons.

The blast started a fire that swept through the hotel, where about 130 people, mostly Britons on a package tour to Athens, were staying.

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## Study Finds Lung Cancer Killing More U.S. Women

United Press International

NEW YORK—The "tragic consequences" of smoking have resulted in a greater than fivefold increase in the number of lung cancer deaths among American women aged 55 and older from 1960 to 1982, according to a report by the Metropolitan Life Insurance Co.

The report, released Wednesday, said that lung cancer will surpass breast cancer as the primary cancer killer of women by 1985. The report also said that the lung cancer mortality rate for women of all ages had tripled from 1960 to 1982. Breast cancer mortality rates have remained virtually unchanged.

"Breast cancer is still ahead of lung cancer as the leading cause of cancer deaths among women in the United States," the report said, "but the percent difference between the mortality rates of these two diseases is shrinking rapidly."

The trend of increasing lung cancer among women started during World War II when smoking by women became socially acceptable, according to statisticians and epidemiologists who analyzed data from the National Center for Health Statistics.

The report said that major increases in deaths from lung cancer were registered in almost every age group studied. The largest increase was among women aged 55 to 64. Deaths in that group rose from 15.4 per 100,000 in 1960 to 81.3 per 100,000 in 1982.

In 1982, the lung cancer mortality rate was 116.3 per 100,000 among all women aged 65 to 74, an increase of 390 percent over the 1960 rates. For those aged 75 to 84, lung cancer mortality rates were

from 31.6 in 1960 to 104.6 per 100,000 in 1982.

From 1960 to 1982, the mortality rates for breast cancer increased for all women aged 35 to 84 from 32.5 to 54 per 100,000.

In contrast, the death rate from lung cancer for women of all ages rose from 11.2 to 46.8 per 100,000.

In 1985, the statisticians said, an estimated 119,000 new cases of invasive breast cancer will be detected with a projected five-year survival rate of 70 percent. About 46,000 new lung cancers will be diagnosed among women, with an overall survival rate averaging just 13 percent, they said.

## Major Manhattan Stores Charged With Tax Scam

NEW YORK—Two fashionable Manhattan stores have been charged with scheming to help customers evade city and state sales taxes on expensive purchases.

Indictments were announced Wednesday against the Bulgari jewelry store and two of its top executives and against the Christie Brothers Fur Corp. and six of its executives. Officials said the stores mailed empty boxes to out-of-state addresses, making it appear that customers were not subject to city and state sales taxes.

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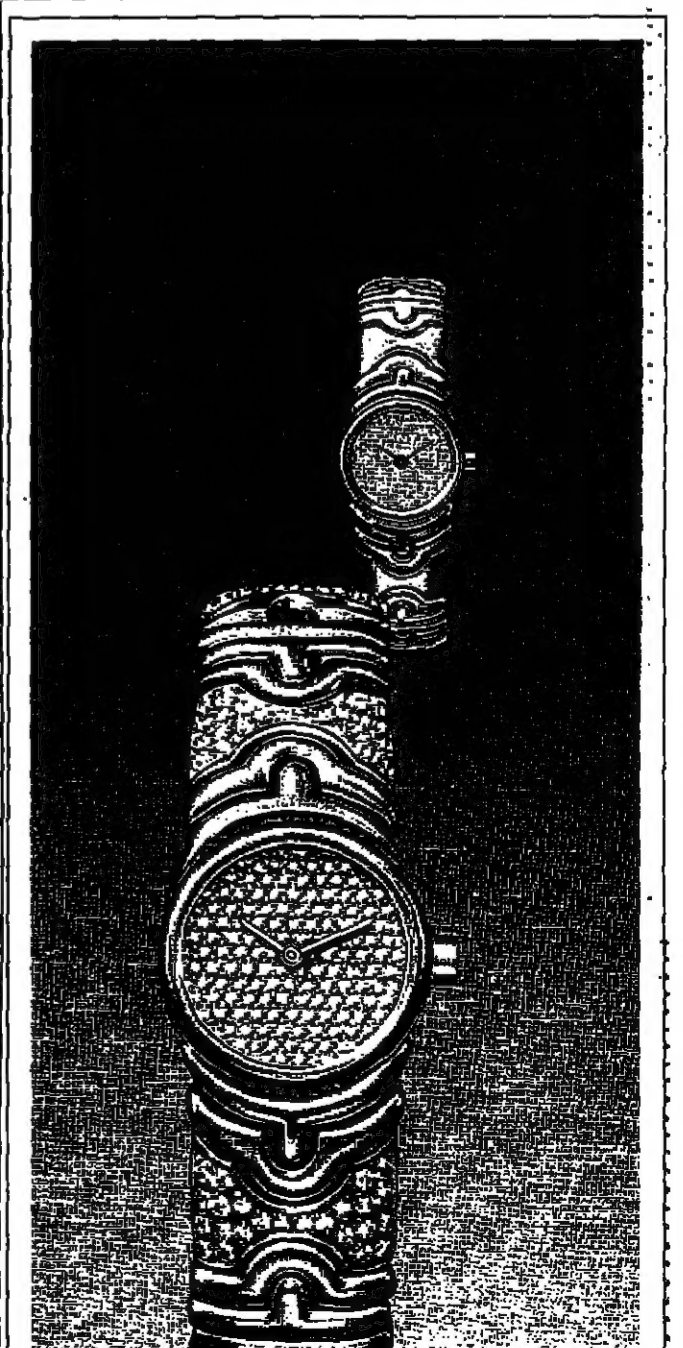
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# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## The People Can Complain

The season demands a tribute to John Peter Zenger, publisher of New York's first independent newspaper, and Andrew Hamilton, his wily lawyer. Last Sunday, Aug. 4, was the 250th anniversary of the libel trial at which they turned common law on its head and established the freedom of America's press.

The Zenger legend dwells on the martyrdom of an immigrant printer abused by a tyrannical agent of the Crown. The legend thrives because Zenger and Hamilton roused a city of 40,000 to their cause and, while their opponents sulked, had the wit to print the only record of their heroics. But Governor William Cosby did run a land-grabbing, vote-rigging administration. His efforts to silence his critics provoked a crucial test of democratic principle. The Zenger case planted seeds that flowered half a century later in the First Amendment. It destroyed the pernicious doctrine that criticism of government is seditious even if true. It showed how juries, backed by public opinion, can enlarge the spirit of the law.

Zenger was brought to New York from Bavaria in 1710 at the age of 13 and apprenticed to the city's only printer, William Bradford, who gave him more craft than grammar and a taste for independence. In time Zenger opened his own shop on Smith Street, three blocks east of Broad Way, near Wall.

By 1733, with Bradford monopolizing the official printing work from Cosby, the new royal governor, Zenger turned to printing the broadsheets of a liberal opposition, agitators that grew into pamphlets, finally a newspaper. The New York Weekly Journal listed Zenger as printer but its guiding spirit was James Alexander, a lawyer and mathematician who anonymously each Monday unleashed bold assaults on the governor's machinations.

The furious governor asked the Assembly to endorse a public burning of the paper, but it refused. He asked a grand jury to indict the printer, but it refused. So Cosby had Zenger jailed on his own information. The charge was printing "false, scandalous, malicious and seditious" articles that had accused the governor of horrendous misrule threatening nothing less than "slavery."

"Not for the last time did such overwrought opinion drive authority to overreaction. Cosby sent his benchman, Chief Justice James Delancey, to run the trial. Zenger's bail was set absurdly high and his jailers began drawing jurors from the bottom of the deck. A proper

jury was finally picked, but only after Delancey had disbarred Alexander for protesting too much. Little did he dream that this would bring Hamilton, the Colonies' foremost lawyer, riding to the rescue from Pennsylvania.

Hamilton quickly confounded the case by conceding that Zenger had printed the offending papers. Since the judge and prosecutor were asking the jury only to confirm that fact, they stood triumphantly ready to receive a verdict, "apply" the libel law to the jury's finding of fact and pronounce sentence.

Yet Hamilton insisted that there could be no libel unless either the prosecutor proved the criticism false or the defense failed to prove it true. Nothing doing, ruled Delancey. When seditious words undermine authority, their truth is irrelevant; indeed, in such a case, "the greater the truth, the greater the libel."

If that hoary precept sounds absurd today, just substitute the words "national security" for "authority." When governors feel threatened by criticism, they are not easily deflected by its truth. That Americans learned to resist such censorship owes much to Hamilton's next move at this critical moment in the trial.

Turning his back to the chief justice, he announced, "Then, gentlemen of the jury, it is to you we must now appeal." If his evidence of truth was to be suppressed, why, that was his best evidence. And whether words are libelous surely depends on how they are understood. If upstanding New Yorkers understood the Journal's words to be true, how could those words be condemned as scandalous?

Judges may understand the words differently, Hamilton argued, but citizens have a "natural" right to complain, and duty to protect every citizen's privilege of truthful complaint. "Of what use is this mighty privilege if every man that suffers is [help] silent? And if a man must be taken up as a liar for telling his sufferings to his neighbor?"

The jury "in small time" ruled not guilty. Whereupon, while "a mixture of amazement, terror and wrath appeared in the bench," the "jubilant crowd then adjourned to the Black Horse Tavern to celebrate."

Across the ages, then, an added toast: To the Zenger jury, for registering the public's understanding of a vital yet always difficult American idea — that the freedom of the press to challenge authority and convey complaints of the citizenry is indispensable in a free society.

—THE NEW YORK TIMES.

## A Rest for Marginal Land

In the 1970s, American farmers were led by government policies and favorable markets to expand their production enormously, mainly for export. They did so partly by moving onto marginal lands. The result is that about a fifth of the land now in agricultural production across the country is highly erodible. The farmers probably should not be using it. Certainly the government should not be subsidizing them to use it, not in a time of towering surpluses and budget-bending support costs. But that is what it has been doing.

Now, however, Congress and the administration have fastened on the good idea of doing the opposite. In a major reversal of policy, they would pay farmers to restore the land, setting up what is called a conservation reserve. The bill now in the House Agriculture Committee would create a reserve of 25 million acres (10.1 million hectares), about half the 53 million considered erodible. The Senate bill calls for 30 million acres. The administration, which earlier had said a reserve was too costly, has shifted position and favors 20 million.

The argument in favor is that a reserve is a rare opportunity to marry economic and environmental concerns; it would achieve both price support and soil conservation. The government already imposes acreage set-asides each year to limit production of staple crops and prop up prices. The reserve would come on top of these, and augment them. At the

same time it would prevent gullying of land and silting-up of streams. Would-be participants would bid against each other; the government would sign with those offering to leave their land idle for the least amount per acre per year. The government would share the cost of putting the land back into grass and timber. The estimated total cost is about the same as continued production subsidies.

There is always a certain awkwardness in giving people money not to do things, and especially in paying them not to misbehave. Here the government would be paying farmers to stop abusing their own land; in a sense a reserve program would be rewarding past greed. But the government was complicit in the expansion of the 1970s, when grain exports were seen as a way to finance oil imports; and soil erosion is now a national environmental problem, requiring a national solution.

The farm bills in both houses remain stuck in committee on the same first-fork-in-the-road issue that has held them up all year. These are bad times in the Farm Belt. The committees must nevertheless reduce price supports both to make U.S. products competitive in world markets and to stay within budget guidelines. It is a difficult political task, but the reserves that both bills now contain should make it easier. They can serve as beacons to the farmers as well as to the land.

—THE WASHINGTON POST.

## Other Opinion

### China on Nuclear Disarmament

Even if the two superpowers were sincere in demonstrating willingness to reduce nuclear weapons, limited reduction would have no practical significance at all. Both the superpowers already have enough nuclear weapons to destroy the world several times over.

Deng Xiaoping said rightly last week that China upholds two cardinal principles regarding nuclear disarmament. First, the two superpowers should undertake not to be the first to use nuclear weapons. Second, they should reduce their nuclear arsenals step by step until

all such weapons have been destroyed. People around the world cannot feel reassured unless and until agreement is reached on the above two principles between the Soviet Union and the United States. China is ready to do its share in contributing toward the reduction of nuclear arms if the superpowers take the lead.

China is against the "star wars" proposal. Outer space is an asset shared by all humanity. All military activity there should be categorically banned. While the Soviet Union opposes the [U.S.] Strategic Defense Initiative, it has long been engaged in similar research itself.

—The China Daily (Beijing).

# The 'Vast Sea of Chinese' Threatens to Swamp Tibet

By the Dalai Lama

The Dalai Lama, the spiritual and political leader of Tibetans, is now living in exile.

DHARMSALA, India — It is more than 30 years since China forcefully occupied Tibet. In this period our religion and culture have been destroyed. The people of Tibet have suffered tremendous physical and economic deprivation. At least 1.2 million have died as a direct result of the occupation. But never, even in the worst of times, did the Tibetans lose their distinct national identity. That is the threat we face today: complete assimilation and absorption by a vast sea of Chinese settlers streaming across our borders.

Early this century, the Manchus were a distinct race with their own culture and traditions. Today only two to three million Manchurians are left in Manchuria, where 75 million Chinese have settled. In Eastern Turkestan, which the Chinese now call Sinkiang, the Chinese population has grown from 200,000 in 1949 to seven million, more than half of the total population of 13 million. In the wake of the Chinese colonization of Inner Mongolia, Chinese now outnumber the Mongols by 8.5 million to 2.5 million.

The area where I was born, the Kokonor region of northeastern Tibet, now already has a population of 2.5 million Chinese and only 700,000 Tibetans, according to a recent Chinese newspaper report. The Chinese claim to be giving special care and attention to the so-called Tibet Autonomous Region, which comprises only the western and central parts of Tibet. And yet they are sending large numbers of young Chinese colonists into the east-

ern and northeastern parts of our country. Almost all of Tibet's great wealth — especially the priceless religious statues, images, paintings and icons that adorned our thousands of monasteries and temples — has been plundered and taken to China. Virtually all of the 5,700 monasteries and 500 temples of which we have records have been destroyed. Among our greatest losses are the irreplaceable ancient Sanskrit, Pali and Tibetan texts destroyed by the Chinese.

It is impossible even to begin to estimate the immense material loss that the Tibetans have suffered under the Chinese. Yet the Chinese have spent \$2.7 billion to develop Tibet over the last three decades. What they fail to mention is that this figure includes the tremendous expense of maintaining at least 250,000 Chinese troops and 1.7 million civilian personnel in our country. Anyway, this sum is only a fraction of what the Chinese have destroyed or taken out of Tibet.

By any social, moral, religious or legal standards, the theft of the belongings of one individual by another is strongly condemned. Surely when such robbery is committed by one race against another this must be a crime of immense magnitude.

I am pleased at the slight improvement of

conditions that has taken place in Tibet since 1979. More food is available, a small degree of economic freedom has been reintroduced and the movement of people is less restricted. I am also encouraged to note that the Chinese leaders are more open-minded and moderate today than in the past. I hope that they will try to better understand the situation in Tibet and will adopt a policy that is both pragmatic and morally principled.

Fulfillment of the basic needs of food, shelter and clothing are not sufficient for humans. Animals probably experience a sense of satisfaction when they are fed, sheltered and kindly treated, even if it is temporary. But in human society, freedom is a basic need, an inalienable right that can never be replaced by temporary improvements in food supplies and economic conditions.

Tibetans are not against the Chinese people. All we demand is that which is rightfully ours. We believe that the Chinese, too, have a right to happiness and prosperity, but not at the expense of another nation and people. China does not possess any right whatsoever to decide the fate of the Tibetan people. Recently the Chinese have been taking some interest in Tibet's history. This is good. Just as it is important that Chinese history is based on Chinese records, so it is important

that Tibetan history be based on Tibetan records. Not a single Tibetan record states that Tibet has ever been a part of China.

There have certainly been periods in the past when the Mongols and the Manchus wielded some influence over Tibet. But there is a nation in the world that has not, at one time or another, been subjected to the influence of outside powers, whether military, political, cultural or religious? Stronger powers have used, and at times still do use, their influence in an aggressive way to advance claims of sovereignty over weaker nations. But such claims have no basis and such actions cannot confer sovereignty.

It is my view that the issue of Tibet is not the concern of the six million Tibetans alone. Because of its strategic importance, what happens in and to Tibet has a direct and significant impact on the region and the world. The future of Tibet is therefore certainly not for the Chinese alone to decide as they please.

Throughout the history of mankind, solutions achieved by force have inevitably been transient. A solution can be genuine and lasting only if and when it is to the full satisfaction of the people concerned. In the final analysis, it should be for the concerned people themselves, in this case the Tibetans, to decide what they want. I have always believed that human determination and any cause that is truly just will ultimately triumph.

The New York Times.

## The War Is Over and Interdependence Remains to Be Learned

By Robert J. Samuelson

WASHINGTON — Between 1960 and 1980 the proportion of Japanese homes with telephones rose from 2 to 77 percent. Grasp that one remarkable statistic and you can fathom the gathering crisis in American-Japanese relations. Societies need time to adapt to change, and the rapidity of Japan's economic rise has been too fast for both countries.

The Japanese have acquired global responsibilities before being capable, psychologically and politically, of discharging them. And Americans have trouble living with the idea that a nation they defeated in war now challenges them economically.

It is difficult to be optimistic. The irresistible force of American prejudice and the immovable object of Japanese inertia seem bent on colliding. In the U.S. Congress, protectionism — shortsighted and self-defeating — is in the air. In Japan, tardy and insufficient "action programs" to overhaul its economy fan American anger. At best, these efforts will take time to produce the higher Japanese economic growth that Americans want; at worst, the results may be meager.

Both sides are prisoners of their past. Japan's trade surpluses are commonly blamed on protectionism, but this is a half-truth. The central cause of those excessive surpluses is an archaic financial system geared to an earlier era of underdevelopment; perpetuated into the present, it perverts the search for export markets. On the U.S. side, resentment of Japanese success has become an obsession that grossly exaggerates Japan's role in economic problems.

Writing in The New York Times Magazine, for example, Theodore H. White — author of "The Making of the President" series — accuses Japan of "disintegrating American industry." If it continues, he broods, Japan will have "finally won the war."

The war? Wasn't it fought for something greater than global market shares? Never mind, for Mr. White reflects America's raw mood: He dislikes the Japanese. As a young reporter in China he was shot at by Japanese. His Japanese are sub-soldiers, not people. They are on the offensive, "wiping out" American industries. You sense that he wants B-29s to wipe out their factories.

His story is less important for its content, which is unoriginal, than for who he is. As one of America's premier journalists, he legitimizes economic scapegoating. But his powerful polemic is sloppy reporting. It excludes facts that put Japan's performance in a larger context.

Japan is not the major cause of America's trade deficit, and the deficit is not eliminating American industry. The strong dollar and rapid American growth are critical causes. Between 1981 and 1984 an \$8.7-billion trade surplus with Europe became a \$13.3-billion deficit. The deficit with Japan, although rising in

dollar terms, dropped from 45 to 30 percent of the total during that period. And, despite the deficit, American industrial production in 1984 reached record levels.

Trade is not the only problem of distressed U.S. industries. Use of plastics, aluminum and reinforced concrete has cut demand for steel; steel use (including imports) was about a fifth less in 1984 than the 1973 peak. And Japanese steel is only a quarter of all imports.

The distress in the semiconductor industry mainly reflects disappointing personal computer sales.

Despite recent advances, Japanese living standards remain more than a

fifth below America's. Japan's efficient global industries exist along with far less efficient service and retail sectors. Many Japanese still work five and a half or six days a week.

So Japan is not quite the economic juggernaut of American fantasy. But it still harms the world economy. Since 1980 it has grown slowly at home and relied on exports for stimulus, but it needs to grow faster domestically so as to import more.

Interest on consumer deposits has long been held down by law. Paradoxically, this restraint stimulated saving because consumers, earning less on their deposits, had to save more to meet their personal objec-

tives — buy a home, send children to college, enjoy retirement.

Saving has also been spurred by restricted consumer lending.

In the 1960s and early '70s, when business investment absorbed these vast savings, Japan grew rapidly. Indeed, high investment was crucial in ending Japan's economic backwardness. But now the high-savings policy is backfiring. Consumer deposit rates are still artificially low, but domestic investment is not absorbing all the savings. The excess is invested in higher-yielding foreign — mainly U.S. dollar — securities.

Domestic growth suffers because demand is drained away. And the yen

is depressed, making Japanese exports more competitive.

Low growth and high exports abet protectionism and create an anti-growth cycle. Breaking this cycle requires Japan to deregulate interest rates and liberalize consumer borrowing. It is doing so at a snail's pace.

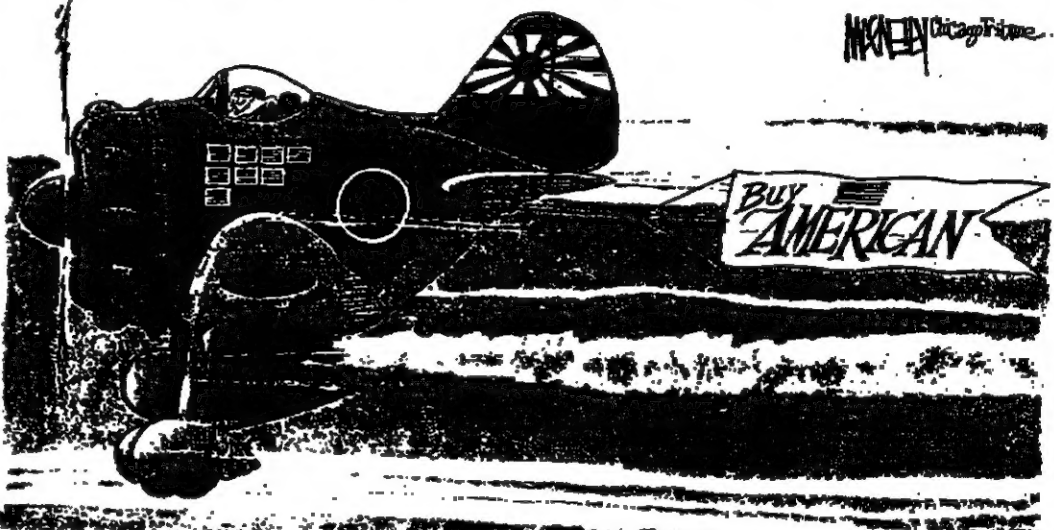
Outsiders are right to press Japan for more open markets, and Japan could do more. But the paramount issue is global economic growth. Growth lubricates open markets and resists protectionism; it makes change easier. Unfortunately, in an interdependent world, growth is hostage to rigid national policies — and to how they interact.

There is no model. Its budget deficits and tax code (which subsidizes borrowing through interest deductions) prop up interest rates and thereby draw foreign currencies into dollar securities. America's mistakes compound Japan's errors.

The central problem is the paralysis of old identities.

Japan cannot move energetically and independently. It retains the protective mentality of a poor nation. It acts selfishly and invites resentment. For Americans, Japan is only a symptom of deeper change. America's industries do face global competition, and the world economy is unsettling, but Americans are too wounded by the loss of their economic primacy to grasp the more subtle demands of global interdependence. America's imagery is increasingly savage. The vision of refighting World War II is mindless jingoism. When men of Teddy White's stature exploit this sleazy rhetoric, you know you are on a slippery slope.

Newweek.



## Why Americans Should Thank Japanese Exporters

By Herbert Stein

WASHINGTON — America owes thanks to Japan and other foreign competitors. Here is why.

In 1981, in a mood of euphoria and self-congratulation, the United States embarked on a new economic policy. It would sharply increase military spending; radically change the tax treatment of investment so as to stimulate investment; cut income taxes across the board, so that individuals would retain more of their income to spend for themselves, instead of paying it to the government.

In real terms, domestic investment, personal consumption and military spending rose sharply. But production did not rise nearly as much. Measured in 1972 dollars, domestic uses of output increased by nearly \$280 billion, while total production increased by \$196 billion.

So there was a big gap between the goods and services America was using and what it was producing. This gap was filled in the only way it could be — by drawing goods and services from the rest of the world. Exports diminished and imports increased.

The switch to an excess of imports was a great help to the United States, not a threat. It was essential to the desired increase in investment, consumption and defense.

Certainly Americans wanted increased military spending; the government initiated it with strong public support. The measures that led to the increase of investment, and the subsequent actual increase, were almost universally applauded. And Americans clearly wanted the increase in consumption. Otherwise they would have saved more.

Americans should be grateful to countries that have produced more than they consumed, exporting goods and services to meet American needs or desires. They are benefactors. Chief among them is Japan. Some people compare Japanese exports of video cassette recorders with the bombing of Pearl Harbor, but that is silly. Americans want the VCRs.

Critics will say two things about this. The first is that if America had

not imported the goods and services, it would have produced them at home. That is almost certainly not true. It is now producing as much as it can produce. It has had a big increase in employment since 1980.

Unemployment has been stable at around 7.2 percent of the labor force for about a year, while inflation has been steady. This suggests that the country is close to the lowest unemployment rate consistent with avoiding a speeding up of inflation.

Growth of real output at an annual rate of 2.6 percent since 1980 was probably as much as could be expected, given the need to go through a period of disinflation and the failure to recover from the slump of productivity growth that began about 10 years ago. Growth of the economy has not been held down by deficiency of demand. If there had been a reasonable expectation that faster growth of demand would yield more real output without more inflation, domestic monetary policy could have provided that. In a real sense America wanted the rate of growth of real output that it got, either because a higher rate was not achievable or because it could not have been achieved without a dangerous inflation.

So I think it is fair to say that the rest of the world has mainly supplied goods and services that the United

States would not have produced if it had been unable to import them.

The second point that will be made is that the rest of the world did not give America these goods and services — they loaned them. Japan and other trading partners invested in the United States, lending the money to buy the goods and services from them. America made a decision to borrow when it decided on a budget deficit and a tax policy that stimulated business borrowing for investment. The rest of the world made it easier by being willing to lend.

It is surely not the responsibility of Japan to "discipline" America by refusing to lend the money it wants to borrow. Any American who doesn't want to be part of this borrowing process can opt out of it by saving more and becoming a creditor. He can write his congressman and his president urging them to reduce the budget deficit. But as long as Americans are in the market to borrow, they should be grateful to those who will lend to them. And as long as they want to use more goods and services than they produce, they should be grateful to those who provide them.

The writer, senior fellow at the American Enterprise Institute for Public Policy Research, was chairman of the Council of Economic Advisers in the Nixon and Ford administrations. He contributed this comment to The New York Times.

## LETTERS TO THE EDITOR

### Who Was the Enemy?

Regarding the opinion column "The Charge Can Finally Be Dropped" (July 25) by Stephen S. Rosenfeld:

Mr. Rosenfeld complains that "revisionist blame-America historians of the 1960s and 1970s" are responsible for the idea that the Japanese bombings initiated "atomic diplomacy" against the Soviet Union.

The Japanese initiated peace feelers in the summer of 1945. Ignoring the feelers, the United States held to its demand for unconditional surrender — which denied the Japanese both dynasty and emperor — until the demand was relaxed after Nagasaki's surrender thereupon came.

The Russians, in consultation with Churchill and Roosevelt, promised to invade Japan. Without consulting the Russians, the United States bombed Hiroshima and Nagasaki. The United States was preparing to invade Japan, but not until November — three months after the bombings.

The meaning of these and other facts was set forth explicitly not first in the 1960s and '70s but in 1948, by P.M.S. Blackett, a Nobel Prize winning British physicist, in his book "Military and Political Consequences

of Atomic Energy" (published in the United States under the title "Fear, War and the Bomb"). So we may conclude that the dropping of the bombs was not so much the last military act of the Second World War as the first major operation of the cold diplomatic war with Russia.

General Leslie Groves, testifying later at the Oppenheimer hearings, said: "There was never, from about two weeks from the time I took charge [of the atomic bomb project], any illusion on my part that Russia was our enemy, and the Project was conducted on that basis."

DEXTER MASTERS, Totnes, England.

The atomic bomb contributed to shaping world trade as we know it. On Aug. 8, between the bombings of Hiroshima and Nagasaki, the Soviet Union declared war on Japan, and the next day it invaded Manchuria. Shortly before, at Potsdam, it had been revealed that Stalin's voracious appetite for territory included Japan. Had his Red Army invaded Japan, as was to be expected, Japan might still be under Soviet influence.

MANUEL GOMEZ RUBIO, Baden, Switzerland.

## FROM OUR AUG. 10 PAGES, 75 AND 50 YEARS AGO

### 1910: Mayor of New York Is Shot

NEW YORK — Mayor William J. Gaynor was shot and seriously wounded [on Aug. 9], when about to go aboard the Kaiser Wilhelm der Grosse, by J.J. Gallagher, a recently discharged employe of the Department of Locks. It is stated that Mr. Gaynor's condition is satisfactory, pending an operation. Photographers had just aimed their cameras at Mayor Gaynor when a heavily built man with a Panama hat pushed forward, drawing a revolver. One shot was fired almost in the face of Robert Adomson, the Mayor's secretary. A second was fired at the back of Mr. Gaynor's head and struck the neck. "I shot him because he took the bread out of my mouth," Gallagher said. New York was appalled by the attempted assassination. The news created a sensation comparable only to Presidential tragedies.

### 1935: Toward Conflict in America?

PARIS — [A letter to the editor says:] "In the opinion of many we are marching to another Civil War in the United States and the vitality of your 'Mailbag' discussion about one of the great personalities of our last one, General Robert E. Lee, shows how lasting are the hatreds engendered by such wars. Fair warning, civil wars are expensive playthings. Our Civil War set back the clock on the South for a hundred years, 'freed' its slaves to new misery, gave new lease of power to greed in the North, made millions of new slaves from Europe to serve this wealth. Today the old battle is raging on the same old front. Mr. Roosevelt is trying to meet it by acting as arbitrator between wealth and the slaves. If he fails we may grow a new Lee or Grant to enforce civil peace."

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## The Finns Take Politics, Pleasures Quietly

By Celestine Bohlen  
Washington Post Service

HELSINKI — They were having a quiet summer festival last week in Kotka, a seacoast town on the high-water border between Helsinki and the Soviet border.

Couples sat under striped tents, drinking beer and eating bratwurst. Families strolled through the main park, past rose beds, fountains and

### REPORTER'S NOTEBOOK

freshly painted benches as a sea of blond heads listened raptly to a band playing jazz. No one spoke. No one hummed. No one even tapped a foot.

There is a stillness about Finland that foreign visitors find almost eerie. It is as if 4.9 million Finns had settled into a state of unanimous serenity.

Homogeneity has something to do with it. The population is 89.8 percent Lutheran, 93.6 percent Finnish-speaking and overwhelmingly blond. But this also is a country of the happy medium. Helsinki is an attractive capital of almost half a million people, not too big, not too small. People are reserved but pleasant, efficient but not officious. Restaurants are crowded, but there almost always is a table free.

Finns, like Russians, do not jaywalk. They will wait for the green light even on an empty street. And even the punk crowd wears fashionable pastels.



'Can you name a country where market forces operate so freely, where there is no terrorism and where prayer in the schools has been part of daily life?'

Kalevi Sorsa  
Finnish prime minister

Politically, people agree that the country has reached a consensus. Minor parties have joined in the competition for the average voter; ever fewer are left on the fringes.

The Rural Party, once considered a party of protest, mellowed, too, once its leader was invited to join the coalition government.

Finland spends less on the public sector than some of its Nordic neighbors and controls 16 percent of industry. Its standard of living is behind Sweden and Norway but ahead of France and Japan.

The national sense of well-being

and of pride at mixing socialism and capitalism was evident in comments last year by Kalevi Sorsa, the Social Democratic prime minister.

"Can you please name a country where market forces operate so freely as to frighten some firms, where there is no international terrorism and never has been, where prayer in the schools has been part of daily life for decades?" he said.

Even the Communist Party, split between pro-Moscow and Euro-Communist camps, is hard-pressed to challenge the status quo, since its

main issue — relations with the Soviet Union — was long ago co-opted by national consensus.

In the past decade, politicians of virtually all persuasions have come to share the view that Finland is better off promoting good relations with its giant neighbor.

In the 1960s, Finland's unique relations with Moscow gave rise to the term "Finlandization," a concept used in Western Europe to warn against crippling neutrality and gradual loss of autonomy.

The pejorative use of the term brought protests from Finnish embassies, and now it is heard less often. But for many Finns, the accommodations with Moscow are easily defended.

Finland lost its fight against the Soviet Union in World War II and shares a border 762 miles long. Furthermore, trade with the Soviet Union is a key factor in protecting the Finnish economy from the buffeting of Western recessions.

The 10th anniversary celebration last week of the signing of the Helsinki accords on European security and human rights was an affirmation of success at balancing between East and West.

"For Finland, it has been a natural principle in a divided world to deal with all sides, to be open in all directions, to show others the confidence that we hope others will show us," said President Mauno Koivisto at the opening ceremonies. "That is our policy of neutrality."

## Poland, Uneasy About Elections, To Try Pop Concerts and Patriotism

By Robert Gillette  
Los Angeles Times Service

WARSAW — With only two months until national elections, the Polish government is showing signs of anxiety about voter turnout. It is a contest that many Poles view as a test of strength between the Communist authorities and the outlawed Solidarity labor movement.

Solidarity's underground organization has called for a boycott of the Oct. 13 parliamentary elections. Some Roman Catholic clergymen have openly questioned the usefulness of voting for members of a parliament that never rejects government-sponsored legislation.

The government, on the other hand, hopes to use a strong voter turnout as evidence of its claim that Solidarity is dying and that normalization of political life in Poland is all but complete. Polish voters are not obliged to vote but failure to do so might be noted with disapproval.

"It is no exaggeration to say that the whole world will again be watching Poland this October," said General Wojciech Jaruzelski, the Polish leader, last week at a meeting of the Communist Party's Central Committee. He confidently predicted victory.

"Friends will do so with the hope that the voting will confirm the

process of stabilization and consolidation of agreement among the Poles," the general said. "They will not be disappointed. Foes will harbor opposite expectations. These will not materialize."

The clearest indication of the government's concern about the outcome was a decision last Wednesday, which was not made public, to grant Polish radio and television an immediate budget increase of 36 percent — nearly a billion zlotys, or \$6.5 million — for a major pre-election campaign.

In its budget proposal, the Committee for Radio and Television said that the money would be used in part for 160 hours of programming to create "a feeling of satisfaction" toward the authorities, according to a copy of the document obtained by Solidarity activists and passed on to Western reporters.

The document said that radio and television broadcasts would seek to attract younger voters in part by introducing candidates for the Sejm — the parliament — at pop concerts. Broadcasts over the next two months are to feature songs with patriotic themes selected to "arouse optimism and hope."

The government has offered no public forecasts of voter turnout, but Communist Party officials have suggested that participation by 80

percent to 82 percent of the electorate would be considered a victory. Other Soviet bloc countries routinely claim to bring out 98 percent or more of the voters.

Anything less than the 75-percent turnout claimed at local elections in June 1984 — a figure that Solidarity charged was inflated by at least 10 percent — would be regarded as a propaganda disaster for the Jaruzelski government.

Some party figures, however, have said privately that they fear the turnout might be no greater than 60 percent.

The last parliamentary elections were in March 1980, before the wave of strikes that gave rise to Solidarity, the independent trade union movement. Elections were to have been held in March 1984 but were postponed.

Recent public opinion surveys taken by the government do not augur well for an enthusiastic turnout at the polls. One survey, reported in the official weekly Polityka last week, cites an "alarming" growth in pessimism about the country's debt-burdened economy.

Just under half of those polled said that the government's efforts to avert an economic crisis were inadequate, while 64 percent said no when asked whether govern-



Reverend Henryk Jankowski

ment policies were likely to solve Poland's problems.

### Priest Tells of Warning

The Reverend Henryk Jankowski, a Roman Catholic priest in Gdansk who is close to the Solidarity leader, Lech Walesa, said a prosecutor warned him Friday that he risked arrest if he continued "anti-state activities." The Associated Press reported from Warsaw.

## From Yerevan, the View Is Great (but Infrequent)

By William J. Eaton  
Los Angeles Times Service

YEREVAN, U.S.S.R. — The ancient city of Yerevan, capital of Soviet Armenia, is blessed with a splendid view of the biblical Mount Ararat, but sometimes it is hard to see the mountain because of the smog.

The Communist authorities have undertaken a series of measures to reduce the pollution but, like their counterparts in the West, they are reluctant to crack down on the growing number of private cars that aggravate the problem.

"There would be a real protest if they tried to interfere with private motorists," one driver said.

From a revolving bar atop the 17-story Palace of Youth, thick black smoke can be seen rising from Yerevan's factories, adding to the layer of smog embracing the legendary mountain's twin peaks.

Ararat, where Noah's ark is said to have been deposited by the flood, lies across the border in Turkey, but Armenians regard it as a symbol of a lost homeland, from which they fled or were driven at

the time of the Turkish massacre of Armenians in 1915.

Yerevan traces its history back 2,767 years, making it the oldest city in the Soviet Union. It has nearly 1.2 million people, a third of

Armenians in Yerevan own more private cars per capita than the people of any other Soviet city, including Moscow. And that is the problem. Exhaust emissions added to industrial smoke make it difficult for the inhabitants to see nearby Mount Ararat.

the population of Armenia, the smallest of the 15 republics in the Soviet Union.

The ambitious Armenians of Yerevan own more private cars per capita than the people of any other city in the Soviet Union, including Moscow. There are 60,000 private cars here, one for every 20 people, compared with a ratio of 1 to 47 for the Soviet Union as a whole. (The U.S. ratio is about 1 to 2).

Public transport consists mainly of buses, although the city has a new, six-station subway system that may help reduce congestion.

Earlier this year, the Politburo of

the Armenian Communist Party started a campaign to reduce air pollution to more tolerable levels by 1990.

Among other things, taxis, buses and trucks owned by the state will

be converted to use liquefied natural gas. This will be costly and special refueling stations will have to be built, but the authorities say they believe the step is essential.

In addition, 10 or more factories will be moved outside the city to reduce their impact on air quality. New pollution control devices will be installed at other plants.

Spartak Hachaturian, deputy chairman of the city council, said that the smog is much worse in winter, when the winds subside and foul air settles in the bowl-shaped valley of central Yerevan. "There is much to be done," he said.

He was noncommittal, however, on measures to restrict private cars, measures that have been mentioned in the Communist Party daily for Yerevan.

"This question is also important," he said, "but no final decision has been taken."

The city has monitoring stations to determine whether auto exhausts are emitting pollutants at excessive levels. Mr. Hachaturian said. But many vehicles in the busy streets were spouting thick black fumes.

Yerevan has devoted special attention to planting trees, bushes and grass to help clean the air, even though they require watering because of sparse rainfall.

"In the last 10 years, we managed to increase the land with greenery by 10 square meters (12 square yards) for each person," he said with pride.

The ultimate control on pollution may be a cap on the growth of the city. State planning officials ruled that Yerevan was growing too fast and called for curbs.

As a result, residence permits have been limited and restrictions have been placed on the creation of new jobs in the city. For example, students graduating from Yerevan's 14 institutes and universities may stay in the capital only if they were residents there before they enrolled.

## U.S. General Cites Assurance By Soviet on Liaison Patrols

New York Times Service

WASHINGTON — The U.S. Army commander in Europe says he has been assured by Soviet officers that orders have been issued to their troops not to use force or weapons to obstruct U.S. military observers in East Germany.

The commander, General Glenn Kay Otis, added Thursday that a formal apology and financial compensation still were due for the fatal shooting in March of Major Arthur D. Nicholson Jr. by a Soviet sentry.

The major was a member of a 14-member military liaison team. U.S., British and French teams patrol East Germany and a Soviet team operates in West Germany, under a postwar agreement, to observe some maneuvers and military installations but not, according to General Otis, "areas of troop dispositions."

General Otis, in the United States for consultation, said that a recent incident in which a Soviet truck rammed the back of a vehicle with a two-man U.S. observer team might not have been deliberate.

The general said he had been told by Soviet officers that the Russians involved in the traffic incident had been "out of line" and had been "disciplined severely."

### Hot Line Improvements

President Ronald Reagan signed a joint congressional resolution Thursday authorizing the Pentagon to provide the Soviet Union with equipment and services to upgrade the Washington-Moscow hot line. The Associated Press reported from Washington.

Hardware and technical support would be provided on a reimbursable basis.

## Yugoslav Court Cuts Sentences

The Associated Press

BELGRADE — An appeals court has acquitted a Yugoslav convicted of political crimes and reduced the sentences of two others, the state-run Tanjug press agency reported.

The Supreme Court of Serbia ruled Wednesday that Miodrag Milic, originally sentenced by the Belgrade district court to two years, would have to serve only 18 months.

Milan Nikolic, sentenced to two years for hostile propaganda, was instead to serve eight months.

Dragomir Olujic, originally sentenced to one year, was acquitted.

The three were part of a group of six Belgrade dissidents tried in 1984 after the police arrested 28 persons on suspicion of anti-state activities.

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# Judge Convicts Ex-Navy Man In First Trial of Soviet Spy Ring

The Associated Press

NORFOLK, Virginia — Arthur J. Walker, a retired U.S. Navy officer, was found guilty Friday of spying for the Soviet Union. It was the first trial in what the government alleges was a family spy ring that caused some of the most serious espionage damage to the United States in recent decades.

A U.S. District Court judge, J. Calvert Clarke Jr., who heard four days of testimony without a jury, convicted Mr. Walker on all seven charges that he had classified navy documents from his employer, a defense contractor, and photographed them for his brother, John A. Walker Jr. The government says that John Walker, a retired navy communications specialist, led the spy ring.

Arthur Walker, 50, a retired navy lieutenant commander from Virginia Beach, stood and showed little reaction to the verdict.

The government built its case on Mr. Walker's statements to the FBI and a federal grand jury that he gave his brother documents on navy ship repair in 1981 and 1982 in exchange for \$12,000.

A navy officer had testified that one of the documents contained information that could be used to knock out the navy's two most sophisticated communications vessels, the Mount Whitney and the Blue Ridge, which would be used as command posts for the Atlantic and Western Pacific.

Mr. Walker faces a maximum sentence of three life terms plus 40 years and up to \$40,000 in fines. Sentencing has been set for Oct. 15, after Mr. Walker's lawyers requested a two-month delay.

John Walker is scheduled for trial Oct. 28 in Baltimore. Also charged with espionage are John Walker's son, Michael L. Walker, a yeoman on the aircraft carrier

Nimitz, and Jerry A. Whitworth of Davis, California, a retired navy radio man who the government describes as John Walker's closest friend.

Military experts have called the alleged spy ring one of the most damaging in recent history. A senator has introduced legislation to restore the death penalty for peacetime espionage, and there have been calls in Congress for military contractors to tighten security.

Tommy E. Miller, an assistant U.S. attorney, would not say if he would recommend a sentence or whether Mr. Walker would be asked to testify in other trials.

Defense attorneys, who presented no witnesses, argued that the government did not sufficiently corroborate Arthur Walker's admissions to the FBI and a federal grand jury in Baltimore. They contended that Mr. Walker



Arthur J. Walker

photographed the documents from VSE Corp. of Chesapeake, Maryland, his employer, to appease his brother and did not intend to harm the United States.

In closing statements, Robert J. Seidel Jr., an assistant U.S. attorney, said that Mr. Walker had his eyes open when he began helping his brother spy for the Soviet Union.

# Leftist Groups Claim Responsibility For Bomb at U.S. Base in Frankfurt

By John Tagliabue  
New York Times Staff

BONN — Extreme leftist organizations from West Germany and France jointly claimed responsibility Friday for the car bombing Thursday of a U.S. air base near Frankfurt.

They described the base as a "dealinghouse for wars in the Third World from Western Europe."

In a three-page letter to news agencies, the Red Army Faction, a West German group, and Direct Action, a French extremist organization, said they had planned the bombing, which killed 20 people and injured more than 200 people at the Rhein-Main Air Base.

The letter bore the motto "Unity in the Battle for the International Revolution" and said that the groups took responsibility in the name of "Commando George Jackson."

Arno Falk, a federal police spokesman in Wiesbaden, said that the designation underscored the attackers' multinational nature and their reverence for figures viewed

in European extremist circles as martyrs against the state.

George Jackson, the author of "Solead Brothers," a collection of prison letters, was one of three black convicts accused of killing a white guard at California's Soledad Prison in 1970. He was killed in 1971 in what the police said was a prison escape attempt, but his supporters said that he was murdered.

The police noted that, similarly, members of a Red Army Faction calling themselves the Patrick O'Hara Commando killed Ernst Zimmermann, the chief executive of West Germany's biggest manufacturer of military aircraft engines, in February. Mr. O'Hara was a member of the Irish Republican Army who died in prison after a hunger strike.

In January, a Direct Action group calling itself the Elisabeth Van Dyck Commando, for a suspected German terrorist killed by the police in a 1979 shoot-out, murdered General René Audran, a French Defense Ministry official.

In the letter, the groups said that the Rhein-Main base was an "intelligence service nest" outfitted with computers, planes and helicopters for the deployment of special forces in the Third World.

The police said they were seeking 13 suspected terrorists, including Barbara and Horst Meyer, a husband and wife sought for a recent theft of explosives from a quarry.

The police said that the bomb consisted of explosives in at least two propane gas tanks surrounded by steel nuts and bolts. They said the green car containing the bomb was bought July 28 in a Frankfurt suburb by a young woman whose identity they are seeking.

[The police said that the guerrillas apparently packed explosives in gas cylinders similar to those used in a blast at a West German military school in Bad Emms, in October 1983, and on the military section of the French Embassy in Bonn in December 1984, the Los Angeles Times reported from Bonn.]

The attack Thursday was the seventh this year against U.S. and North Atlantic Treaty Organization facilities in West Germany, but the first to cause fatalities.

Intelligence sources, who said Thursday that there was evidence to link her to espionage, said Friday that further investigations eased their concern.

In 1979 six Bonn secretaries were exposed as East German spies following the defection of a senior Communist intelligence official. Four evaded capture.

The intelligence sources said they believed that the prosecutor's office had been justified in opening its investigation, but felt it should have shown discretion.

Miss Lindeburg became Mr. Bangemann's personal secretary in 1973 and remained in the post after he became economics minister in 1984 and chairman of the Free Democratic Party six months ago.

Six weeks ago she was transferred to work as a ministry aide. The prosecutor's office said Thursday that photographic equipment suitable for filming documents had been found in the woman's apartment and that there were signs of a hasty departure.

The secretary told neighbors last weekend that she was leaving to visit friends. She failed to return to work Tuesday as scheduled. Since then the authorities have found no trace of her or her car.

Mr. Vogel said that throughout her years as Mr. Bangemann's assistant, Miss Lindeburg never had legal access to secret documents in the normal course of her work.

Most of her activities involved arranging his calendar and dealing with letters from the public. But a trusting relationship developed between Miss Lindeburg and the minister, Mr. Vogel said.

Relations between Mr. Mitterrand and France's intelligence agency have been unsettled, a legacy of a Socialist electoral pledge in the early 1970s to abolish the agency. The Mitterrand government took office in 1981.

Rightist governments had their own problems with scandals in the agency that preceded the current one. It was said to have been behind the hijacking in 1956 of the Algerian rebel leader Ahmed Ben Bella, who later became Algeria's president; bomb attacks against pro-Algerian rebel supporters; the 1965 disappearance of the Moroccan opposition leader Mehdi Ben Barka and coups in Africa.

After the Ben Barka affair the agency was placed under the control of the Defense Ministry.

France has many former intelligence officers and undercover operatives. French press commentators have speculated that the team responsible for the attack on the Rainbow Warrior may have been recruited from this circle.

(Reuters, AFP)

# Bonn Rebuts Prosecutor In Spy Probe Of Secretary

Reuters

BONN — The West German government rebutted on Friday reports that the vanished secretary of Economics Minister Martin Bangemann was suspected of being a spy.

Dieter Vogel, a spokesman for the Economics Ministry, said at a news conference there was no evidence the woman, Sonja Lindeburg, had been a spy during her 12 years with Mr. Bangemann.

He denied speculation that she had been denoted for security reasons. "There was never any suspicion toward her and there still isn't," Mr. Vogel added.

Despite his assurances, Mr. Vogel said that Mr. Bangemann was breaking off a tour of the Far East. The prosecutor's office said Thursday it had begun an investigation of Miss Lindeburg, 60, on suspicion of espionage activity. It said she vanished last weekend.

Intelligence sources, who said Thursday that there was evidence to link her to espionage, said Friday that further investigations eased their concern.

In 1979 six Bonn secretaries were exposed as East German spies following the defection of a senior Communist intelligence official. Four evaded capture.

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France has many former intelligence officers and undercover operatives. French press commentators have speculated that the team responsible for the attack on the Rainbow Warrior may have been recruited from this circle.

(Reuters, AFP)

# Lange Can't Link France to Sinking

Compiled by Our Staff From Dispatches

SUVA, Fiji — Prime Minister David Lange of New Zealand said Friday that there was no evidence that the French government had been implicated in the July 10 sinking of the Greenpeace vessel Rainbow Warrior in Auckland harbor.

Mr. Lange made his remarks when he was asked about a letter from President François Mitterrand telling him that France would investigate the sinking.

Two French weekly newspapers have alleged that the bombing that caused the sinking was carried out by France's counterintelligence agency, the General Directorate for External Security, to disrupt Greenpeace attempts to disrupt nuclear tests in the South Pacific.

Speaking during a visit here, Mr. Lange said:

"I have consistently said that there is no proof available to the government of New Zealand that there is any government instrumentality involved in that crime."

"That is not to say it is not involved but, of course, that [would] create an endless web of speculation."

In the letter to Mr. Lange, Mr. Mitterrand promised full collaboration with New Zealand detectives now in Paris. He said he intended that the investigation of the bombing be handled "with the greatest possible severity." A Dutch crew

man of the ship was killed in the explosion.

The Greenpeace ship, a converted trawler, was in New Zealand to lead a protest fleet to the Pacific atoll of Mururoa. The environmental group had sought an end to nuclear testing in the area.

In Wellington, Detective Superintendent Alan Galbraith said the police had theories other than that advanced by the French publications. But he would not elaborate.

"I can't see that there is any special French connection attached to it," he said, "and I am sure any country's trained divers could handle this."

Mr. Galbraith said that three New Zealand detectives would pursue the inquiry in France.

One detective who was sent to Paris, he said, is checking the identities of a French-speaking couple arrested in Auckland and who have been charged with murder, arson and conspiracy to damage the ship. They were identified as Alain and Sophie Tureng, but the police said they were carrying false Swiss passports.

In Paris on Thursday, Prime Minister Laurent Fabius appointed Bernard Tricot, a former aide to Charles de Gaulle, to lead the French investigation. The press said that Mr. Tricot's credentials and association with a rightist gov-

ernment should defuse any speculation that the Socialists under Mr. Mitterrand were attempting a cover-up.

Mr. Tricot's report will be made public, focusing an unusual amount of public scrutiny on French intelligence.

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(Reuters, AFP)

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## ARTS / LEISURE

## Christie's Scandal Underlines Mutual Dependence of Dealers, Auction Houses

**THE** discovery that a top Christie's executive falsely stated in 1981 that two paintings had been sold has provoked outrage. Auction houses have lied in other cases, critics say. Some dealers pounced on the occasion to accuse auction houses of systematically raising

## SOURIN MELIKIAN

prices by using what is known as the reserve system—the auctioneer secretly agrees with the consignee to outbid any would-be buyer until a minimum price is reached.

The case made against the auction house, however, has left out the real problem, without which the incident would not have happened: the symbiotic relationship that has developed between auction houses and dealers over the past 15 years or so.

In May 1981, a heavily publicized auction of eight Impressionist paintings was held at Christie's in New York. They were sent for sale by Dimitry Jodidio, a financier, operating through his company Cristallina SA of Lausanne, Switzerland. Jodidio, a one-time adviser of the late Florence Gould, is reported by those who have met him in the art world to have had close professional contacts with one of the three leading Impressionist dealers in the world. No one would describe him as a naïve, helpless amateur.

Of the eight paintings, only Edgar Degas's portrait of Eugène Manet, brother of Degas's fellow Impressionist painter Edouard Manet, was sold, for what was then a huge price, \$2.2 million. All the others remained unsold, including a landscape by Van Gogh of houses lining a village street and a still life by Paul Gauguin. After the sale, however, David Bathurst, then Christie's New York president, announced that these two paintings had been sold. When taken to court by Cristallina, Bathurst said his aim had been to protect the market and the consignee. To quote his deposition, "if a picture, any work of art, is offered for auction and is bought in, it makes it tougher to sell it afterwards." No professional would disagree in principle.

One point that has been overlooked is that while Bathurst lied to the press, Christie's did not consistently back up his statement. A press release issued in New York said the two paintings had been sold. Within days, most dealers and other buyers with a potential interest in such paintings knew or suspected the truth. Christie's did not illustrate or mention the unsold Gauguin and Van Gogh in its "Review of the Season," the glossy art-paper album it publishes every fall to celebrate its sales and thus boost sales. If Bathurst intended to "protect the market," his was a half-hearted attempt. It never stood a chance of working. By the fall of 1981, a slump was hitting the market that was to last for more than a year. The Cristallina flop prob-

bly heralded its beginning. True, on May 21, Sotheby's sold Picasso's 1901 self-portrait for \$5.3 million in New York. But after that there was a long wait until the Havemeyer sale in May 1983, also at Sotheby's, New York, where huge prices were registered once again.

Times were so hard during the 1981-82 season that Sotheby's was in the red for the first time in decades. Not much has been said about this slump during the shouting matches between Cristallina and Christie's or Christie's and the media. Yet it highlights the limits of any attempts at manipulating the market of which the auction houses have been accused.

The most startling omission in accounts of the Bathurst case has been that of the dealer's role. Auction houses naturally prefer big prices because the 10 percent they levy on buyers—8 percent in the case of Christie's London—and the varying percentages they extract from sellers are proportionately bigger. Above all, rising prices induce art owners to sell, which is what auction houses are really concerned about.

But those who benefit most from price boosting are not, as has been suggested, the auction houses but the dealers who get the full price—the dealers and "investors," a refined word that covers the same reality, buying and selling for profit. The Cristallina affair illustrates the point. The sale was a financial undertaking. In recent court papers Cristallina's attorneys note

that "Mr. Bathurst... had been asked to make a selection of paintings... to enable Cristallina to raise \$10,000,000." Three paintings were declared "unsuitable for auction" by Jodidio because Bathurst's appraisal did not meet with his approval. The reserves recommended by Bathurst for the eight paintings to be sold totaled \$9.3 million. Bathurst said in his deposition that "possibly" he suggested an insurance value of \$10 million. It is standard practice to set insurance values at the highest conceivable level. Then, the court papers make clear, Jodidio decided that the reserves had to match the insurance values. The pressure to raise the reserves apparently came from the seller rather than the auction house.

That is the fundamental problem: Dealers now use to the full the auction system to sell their wares. They cannot do without it, nor can the auction houses do without them.

For dealers desperate for cash or stuck with an unwanted work of art, selling by auction is the answer. My guess is that half of what is churned out by auction houses, particularly in Impressionist and Modern Master sales, comes from dealers.

The proportion must be higher if unofficial commercial sources are included. Here is an example of how a commercial act is made in the guise of a private sale. The \$5.3-million Picasso sold by Sotheby's in 1981 was owned by a French businessman involved in industry. It

was bought for her by a French dealer, who said he recommended it in 1970 at a London sale where he got it for £147,000 (then \$353,000 according to the sale room). At the time, the price seemed enormous, but the dealer was perceptive enough to recognize that the prejudice against early Picassos in the Fauve manner would not last. The dealer again took the initiative of suggesting the resale (and the reserve), sensing rightly that May 1981 was a peak and hoping—wrongly, as he later said—to get his unofficial commission. Private speculative attempts of this type are now frequent, if rarely so successful as this was for the businessman. They do not get reported.

For auction houses, the involvement of dealers in the auction system as a source of goods for sale is a necessary evil. The unprecedented expansion of art buying in the 1970s has dried up the supply. Certain categories have disappeared from the market. Prices have risen, as have auction-house overheads as a result of attempts to attract vendors, and things have been made correspondingly easier for dealers trying to force high reserves on auction houses. Traditional dealers are careful, new investors less so. As long as the system works, there are no complaints. The public never hears about the coups pulled off by dealers at auction. Here is an example.

On Dec. 12, 1983, at a Drouot auction held by

the Laurin, Guillaud, Buffetaud and Tailleur group, a pair of gilded consoles or crescent-shaped side tables of the Louis XVI period were bought by a French dealer for just under 450,000 francs (then worth a little over \$54,000) including the sale charge. He had them restored, reglaid and packed off to Sotheby's New York. On May 4, 1984, they were sold for \$473,000 after a heated contest between American collectors.

Such high profits are seldom made so quickly. But the principle of buying here and reselling there with reserves incorporating the desired profit is applied by most important dealers. There are variations according to the field considered. Rare books are least affected. Old Master paintings stand somewhere in the middle. For excavated antiquities, of which many come from illicit digging in the poorer countries, and for Islamic art, dealers seem to be the main source tapped by the auction houses. Several of the most expensive Islamic pieces offered at Sotheby's April sale in London had been held by dealers, including one acquired at Drouot for less than 30,000 francs, restored, and resold for £28,800, within Sotheby's "estimate" of £25,000 to £30,000.

Other pieces carrying equally impressive "estimates," however, were bought in.

Next week: The role of "estimates."

## A Bicentennial Homage to Audubon

By Max Wykes-Joyce

**LONDON**—Of the great natural-history artists, John James Audubon (1785-1831) could have been considered the artist least likely to succeed. Indeed, he was thus considered by his contemporaries until his 53d year, when his monumental "The Birds of America," with its 435 color plates, was completed.

The bicentennial of his birth is being celebrated at the Natural History Museum in "Drawn from Nature," an exhibition tracing his life and work and placing him in the context of other naturalists.

He was born Jean Jacques Fougere Audubon, the illegitimate son of a French sea captain who was the owner of a plantation on Santo Domingo, now Haiti. His mother, a Creole woman, died soon after his birth. He was taken to France and adopted by Captain Audubon's childless wife. At 18 he was sent to the United States to administer his father's properties at Mill Grove, Pennsylvania, and to avoid conscription into Napoleon's army. There he met and eventually married Lucy Bakewell, a young English woman who was an amateur ornithologist. Her interest had probably been encouraged by the Bakewell family doctor in England, Erasmus Darwin (1731-1802), a physician, poet—author of two volumes of heroic couplets, "The Economy of Vegetation" and "The Loves of Plants"—and grandfather of Charles Darwin.

Before their marriage, Audubon and Lucy used bird-watching as a convenient reason to meet in the countryside. Audubon waxed lyrical about his earliest excursions into ornithology. He wrote of discovering a nest of phoebes, a not overly colorful bird that lays a pristine white egg—"so white and so transparent, the sight was more pleasant than if I had met with a diamond of the same size." He must have had an exceptionally rare skill with wild birds, for the phoebe allowed him to lift her from the nest to examine the nestlings.

Being unskilled at estate administration, and anxious to wed Lucy, he returned to France, hoping to persuade his father to finance some kind of business. The captain did so, on condition that John James went into partnership in a store with one Ferdinand Rozier. Back in the United States, Audubon fell to Rozier the organization of their store and became an apprentice clerk in New York for Benjamin Bakewell, Lucy's uncle.

Honest but incompetent, he was soon invited to leave. There followed a new Audubon-Rozier general store in Louisville, Kentucky, where he wed Lucy. That store and another one failed and the partnership was dissolved. Audubon and Lucy's brother Thomas opened a store that was moderately successful for some years, but Audubon's heart was not in commerce.

In pre-photograph days there



Daguerreotype of John James Audubon by Matthew Brady, which was presented to the Cincinnati Art Museum this week, is believed to have been made in 1847 or 1848. It is the only known photograph of him.

was no way of observing a wild bird for any length of time except by killing it and posing the body. Audubon never killed a bird when live observation proved sufficient, as in the case of the "Snowy Owl." But when he had to, he wired the dead specimen in a lifelike posture on a gridded board and drew the creature on squared paper, a technique illustrated in the Natural History Museum show.

As his school of bird images grew, the business suffered. Audubon also persuaded people to invest in all manner of projects, such as a steamship with which he lost a lot of money for George Keats, brother of the English poet John Keats, and a sawmill at whose failure in 1819 he was jailed for debt and declared bankrupt.

He and Lucy by now had two sons. Audubon eked out a living as an itinerant portrait painter and drawing master, aided by Lucy's earnings as a governess and teacher, but spent most of his time painting birds and compiling the field notes that ultimately became his five-volume "Ornithological Biography." In the grounds of one mansion, where he was tutor to a teenage heiress ("a well-formed girl but not handsome," his artist's eye told him), he drew, painted and annotated nine different birds, including the American redstart, the Tennessee warbler and the Mississippi kite.

Each spring to fall from 1820 to 1826 he went on field trips, pausing in the first month of 1824 to visit Philadelphia and New York in the hope of finding a publisher who would produce his work. It evoked much admiration but no concrete support. After two more years of travel, he borrowed \$1,600 that Lucy had contrived to save, and set sail for Britain with more than 400 sketches and drawings.

Arriving in Liverpool he was feted by the intelligentsia, mounted a successful show at the Royal Insti-

tution there, and went on to Manchester and Edinburgh, where he was elected a Fellow of the Royal Society of Scotland and where he found the engraver William Hume Lizars, who agreed to produce 400 plates to be issued to subscribers in folios of five each.

In London, however, Audubon learned that Lizars had had a stroke at the Edinburgh press after an initial run of the first 10 engravings (an example of the famous plate No. 1, "Wild Turkey male," with the original painting made in Louisiana in 1825, is in the show).

Audubon had to commission a new engraver. He was fortunate in London to come upon a team of father and son, both named Robert Havell, who added aquatint to engraving, the better to reproduce the rich colors and textures of plumage and habitat so carefully portrayed by Audubon.

When he commissioned the work from the Havells, fewer than half his paintings were in reproducible form, so Audubon returned to the United States and renewed his wanderings, sending batches of fresh paintings to London, where the Havells engraved copper plates to fit the largest format of printing paper then available—Double Elephant, 46 by 28 inches (122 by 71 centimeters). In 1838 the last plate was engraved by the younger Havell (the father had died six years before) and 175 sets of "The Birds of America," each consisting of four huge volumes, were printed.

One set forms the centerpiece of the exhibition, which also has on display some of the copper plates. These remained the property of Audubon and his family, and were taken in 1839 by the emigrating Robert Havell to New York. Some were destroyed by fire a few years later. In 1871, Lucy Audubon, by then a penurious widow, sold many of the remaining plates, most for their scrap metal value.

Some were rescued from the smelter's furnace and in 1885 presented to the American Museum of



"Wild Turkey male," Plate 1 in "The Birds of America."

Natural History. Six of these plates provide a further section of the exhibition—a new printing of "Wild Turkey male," "Wild Turkey, female and young," "Snowy Owl," "Canada Goose," "Mallard Duck" and "Great White Heron." One plate took 500 hours to restore. They have been printed on a copper plate rolling press, and hand-finished in watercolor, by Alec Historical Editions in London and published by Alec and the American Museum of Natural History in New York in a limited edition of 125 for \$30,000 each. Proceeds of their sale will be used by the American museum to endow

a fund for natural history research in Audubon's name. The quality of the 1985 prints probably would have pleased the wildlife artist, whose work was rightly described by the French naturalist Georges Cuvier (1769-1832) as "the greatest monument ever offered to Nature by Art."

"Drawn From Nature: The Life and Work of John James Audubon," Natural History Museum, Cromwell Road, London SW7, through Sept. 29.

Max Wykes-Joyce writes regularly in the IHT on London art exhibitions.

## A Swiss Textile Restoration Center

By Mavis Guinand

**RIGGSBERG, Switzerland**—Five hundred years ago, a merchant of Venice packed linen shirts, a dark wool beret and a bolt of damask into an iron-based chest and set off to trade in the coast of Yugoslavia, but today, in the museum of Zadar, his shirt, beret and the purple damask can be seen in mint condition.

Scraps of cloth, whether raised from the sea, found in tombs or rescued from an attic, have been restored at the Abegg Foundation, a center of textile study in this Swiss-Italian village close to Bern.

Since it was founded in 1967, the foundation has trained about 80 restorers, now working in private ateliers or museums such as the Los Angeles County Museum, the Lyon Musée des Tissus or the Bayerisches Nationalmuseum in Munich. More than 250 applicants a year are screened for expertise in textile arts such as weaving and by typology tests. "We have found we must eliminate basically creative people who become terribly frustrated to only recreate other people's work, even centuries old," said Alain Gruber, director and curator of the foundation.

The three successful candidates chosen each year are given an escalating grant until it amounts to a regular salary, and they are put directly to work on priceless objects. "We don't want them to be afraid of handling them," Gruber said.

At specially designed work tables, under the guidance of a restorer, Mechthild Flury-Lemborg, they wash out encrusted grains of sand, salt, dirt or rust with demineralized water. They sponge the cloth dry, handblow or stretch it into shape, never using an iron. Then they stitch and repair a few square inches a day, until a tapestry can be hung again or a dress seems fit to dance in again.

It took five months to pluck out each stitch of one garish 19th-century re-embroidery to reveal the exquisite Gothic design beneath it. Glued backing must often be softened by solvents and removed. The pieces are reassembled like a jigsaw

puzzle, and sewn together or placed on a sheer fabric. "We try to hang on to everything. When part of the original cloth is missing, the linen support is dyed to match the background. This restores unity to the eye."

After restoration, textiles and garments belonging to the foundation are filed in fitted wardrobes or laid into shallow drawers. These cabinets and the 60,000-volume library of works on textile art have provided a treasury of patterns and models for historians and fashion designers.

The guiding principle of the foundation's museum, which the late Werner Abegg built out of a lifetime's collection, is the interrelationship of art and textiles. Abegg, a Zurich industrialist, came from a family that had imported or manufactured textiles since the 16th century. His interests were shared by his American wife, Margaret Daniels Abegg, a former curator of the Department of Prints in the Metropolitan Museum in New York. Her fascination with pattern books extended the department's collection and provided background for her book "Apropos Patterns," illustrated with costume details from portraits by Lucas Cranach, Albert Dürer, Hans Holbein and Jean Clouet.

A trim 86, Margaret Abegg is an enthusiastic president of the foundation, but plays down her part in its creation: "My husband and I did it together," she said. "The fact is it just grew and is still growing." An extension to the museum is scheduled for next year.

The Abeggs chose the pastoral setting of Riggsberg in the late 1960s, for its pure air. "Ancient textiles must not risk any pollution," said Gruber. The restoration and study center was designed to bring a little life to the museum, although the 12-mile (20-kilometer) drive from Bern through postcard scenery with the Eiger, Monch and Jungfrau in the background hardly deters visitors. Prime Minister Margaret Thatcher of Britain came here to admire an Elizabethan nightcap. Queen Sophia of Spain lingered over treasures from her native Greece and the U.N.

secretary general, Javier Pérez de Cuellar, over Peruvian textiles.

The airy building, overlooking forest and fields, was designed by the architects Gyula Széchenyi and Michael Stettler. Stettler, who became the museum's first director, imaginatively laid out the textiles and objects of art. The permanent collection includes archaic pottery, bronze fibulas from Luristan, a lapis lazuli ram's head with golden horns, a medieval sea horse of rock crystal, Coptic tapestries and a Chinese wall-hanging describing the silk industry from cocoon to thread. The foundation draws on the thousands of pieces in its reserves for a new exhibit each year.

This summer, Gruber has chosen to show grotesque patterns, so named after the Roman grotto where murals in the 15th century. Symmetrical compositions of unrelaxed, almost surreal elements—human, animal, floral or architectural—the grotesque were made famous by Raphael in the Vatican Loggias. As their vogue spread over Europe, they picked up other local motifs or the medieval buffoonery, giving a new meaning to the term "grotesque." An ornamental style that lasted into the late 19th century, when findings in Pompeii and Herculaneum gave it a neoclassic impetus, the genre is shown here interpreted in metal, porcelain, wood and in textile patterns inspired by Louis XIV's designer, Jean Berain, in embroidery, lace and cut velvet.

Abegg-Stiftung Bern, Riggsberg, to Oct. 27. Daily from 2 P.M. to 5 P.M. Buses leave Bern station at 1:45 P.M. and return at 4 and 5 P.M.

Mavis Guinand is a journalist based in Switzerland.

## 4 Excellent Shows in Southern France

By Michael Gibson

**MARSEILLE**—Despite Paris's blockbuster shows and scores of museums and galleries, the capital is not the only place in France to view art this summer. The arts have been becoming more dynamic in the south of France in recent years, as witness a number of shows on view in the region.

A visit to the "New York 85" exhibition organized by an ambitious new gallery in Marseille brought to mind a remark by the curator of a major American museum attending a recent UNESCO symposium: "The public is under a misapprehension about big international exhibitions. It supposes it is looking at the best art currently being produced. In fact, however, it is only being shown the constellation of power actually dominant in the art world."

For "New York 85," at the gallery founded and directed by an energetic young businessman, Roger Pailhas, 37 artists (30 American, three French, two Italian, one German and the cosmopolitan Christo) who work in New York were selected with the advice and support of Leo Castelli, one of the most influential dealers in New York.

The "New York 85" title is misleading since it is essentially Castelli's New York that is on view, and the selection, while eclectic up to a point, can not claim to represent much more than that. Each artist is showing one work. There are also 23 works by stars of former decades—Pop, Conceptual and Minimal—including Jasper Johns, Roy Lichtenstein, Andy Warhol, Carl André and Sol LeWitt.

The younger generation of American artists includes New Expressionists and graffiti artists—two tendencies that have enjoyed Castelli's support from the outset (Julian Schnabel and Loren Munk are among the former, Jean-Michel Basquiat and Keith Haring among the latter).

It is pretty well established that the New Expressionism—which assumes different names and accents in Germany, Italy, France, the U.S.—is a commercially strong tendency, generally marked by a self-assertive, free-wheeling and extraordinarily aggressive creativity, an expression of private whim and fantasy that manages paradoxically to be devoid both of true fantasy and of content. This does not apply to the graffiti artists, whose work is not necessarily pretentious though it tends to be perceived as such in this context.

What we have here, then, with a few exceptions, is a display of established celebrities of recent decades, all of them canonized in the standard books of art history, presented together with the young protagonists of certain strains of a highly fashionable art as it is currently practiced in New York. This should not obscure the fact that Pailhas's gallery, ARCA, is a noteworthy achievement that regularly shows young artists of quality from Marseille and its region as well as elsewhere. He acknowledges that he has high visibility in Marseille, but the gallery would rate quite well if it were in Paris.

"New York 85," ARCA, Centre d'Art Contemporain, 61 Cours Julien, Marseille, through Oct. 6. Ask almost any art dealer in Paris and he will say that his clientele is essentially foreign (German, Belgian, American, Japanese), and he will add that the French just do not buy art. The new director of Marseille's city museums, Germain Viatte, has successfully diminished the credibility of this by organizing an excellent exhibition devoted to works borrowed from private collections in Marseille.

The show at the Musée Cantini presents about 150 works by 116 artists, including Arman, Balthus,



Van Dongen nude on exhibit at Saint-Tropez.

Baselitz, Bonnard, César, Sam Francis, Giacometti, Jeanclous, Yves Klein, Henri Michaux, Joan Mitchell, Dennis Oppenheim, Bernard Pages, Jean-Pierre Raynaud, Germaine Richier, Kurt Schwitters, Joseph Sima, Cy Twombly and Jan Voss.

This show is clearly intended to pump some self-recognition into local cultural interests by demonstrating that the French provinces have an informed public of art lovers and collectors and a vitality of their own.

"Marseille: Its collection," Musée Cantini, 19 Rue Grignan, Marseille, through Sept. 23.

□

Kees Van Dongen (1877-1968) looked at life and at women with pleasure, humor, sensuality and a freshly imaginative eye. A collection of 39 of his works from the Fauvist years (1901-1913) is on view at the charming little Musée de l'Annonciade in Saint-Tropez. Once again it brings home to one the strong independence and originality of this Dutch artist, who avoided fitting into the established patterns of art history.

□

The Jean Dubuffet retrospective at the Maeght Foundation this year exhibition includes about 150 works and is in presented with the excellence one has come to expect of the foundation's director, Jean-Louis Prat.

"Dubuffet," Fondation Maeght, Saint-Paul-de-Vence, through Oct. 6.

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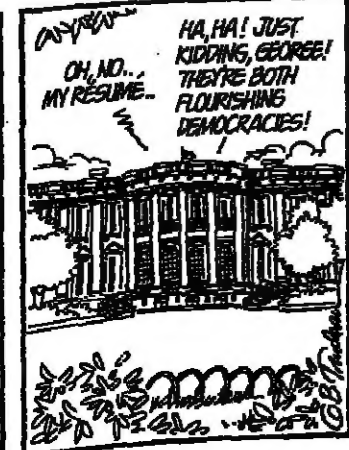
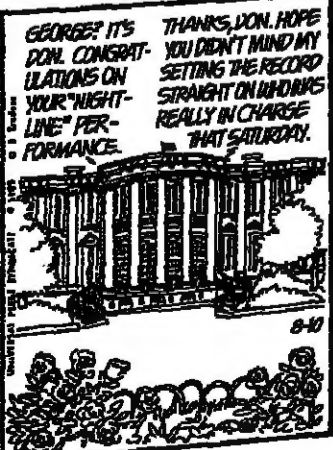
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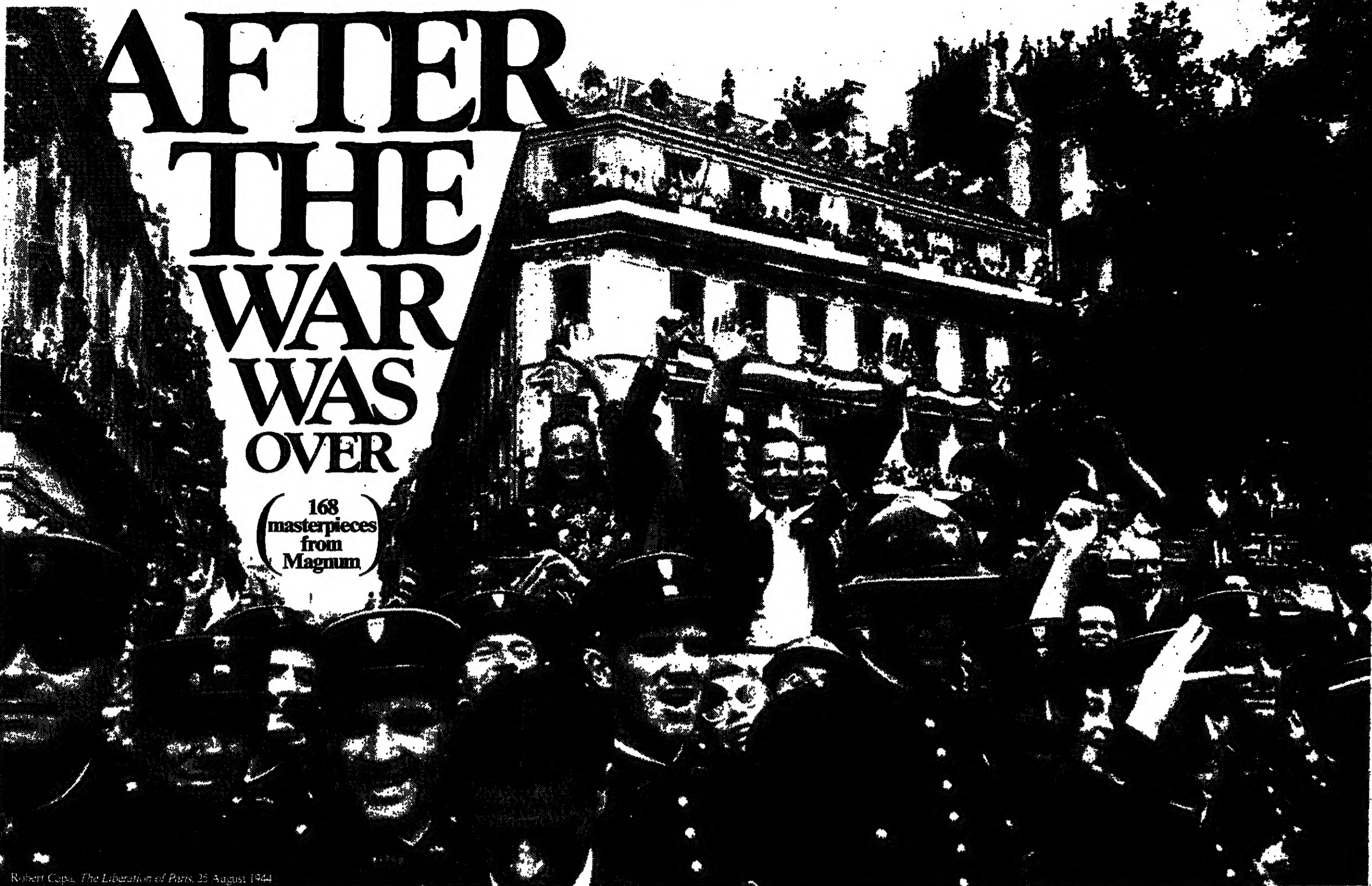
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SATURDAY-SUNDAY, AUGUST 10-11, 1985

ECONOMIC SCENE

Economic Gap is Widening Among American Blacks

By GLENN C. LOURY

New York Times Service

NEW YORK — Although a matter of some dispute, it appears to many observers that there is a growing disparity in economic status among American blacks. The class structure of the black population seems to be changing in a manner that has important political and policy implications. It looks as though blacks are increasingly divided between a relatively prosperous (by historical standards) middle class and an ever more desperate underclass.

That the nature of racial inequality has changed in the past two decades is quite clear. Today, for blacks and whites alike, poverty is much more closely linked to family structure than was the case in 1960. The poor have come to consist mainly of women without a husband present and their children, while poverty rates among two-parent families have been reduced dramatically.

But female-headed families are substantially more common among blacks than whites. Although the prevalence of such families has been increasing for both races, the gap between blacks and whites in percentage of single-parent families has grown wider. This factor has thus become more important in explaining economic differences between black and white families.

On the other hand, a traditional source of racial disparity — employment discrimination — has diminished in significance during this period. The passage of civil rights legislation and the growth in enforcement activity by the courts and the state and federal equal employment agencies have undermined the ability of private employers to discriminate in wages paid to their black employees.

STATISTICAL studies of discrimination uniformly shows significant reduction over the past two decades in the gap between black and white workers' compensation not accounted for by productivity differences. Indeed, in some specialized, highly skilled segments of the labor market, there may now be a slight premium paid to black workers.

Thus it is at least arguable that, in some important respects, economic and social class position has become more important than race per se in accounting for black-white disparities. A history of racism and discrimination has helped to create an inner-city underclass that, because of economic and technological developments in American society at large, has become much more difficult to integrate into the economic mainstream than the urban poor of previous years.

For blacks with job skills or a high level of educational attainment, many if not all of the historic barriers to achieving parity with whites have been removed. For those blacks who remain poorly educated and trapped in urban ghettos, however, enormous problems remain. This distinction, between the economic positions of the black middle class and the black underclass, has great importance for the formulation of public policy.

The key issue here is whether the extensive activities undertaken by government to promote racial economic equality actually

Currency Rates

Cross Rates	Aug. 9
Amsterdam	1.384
Berlin	1.384
Brussels	1.384
Frankfurt	1.384
London	1.384
Paris	1.384
Rome	1.384
Stockholm	1.384
Switzerland	1.384
West Germany	1.384
Yokohama	1.384

Charges in London and Zurich. Rates in other European centers. New York rates at 4 P.M. (a) Crossed rates. (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) Not quoted. N.A.: not available. (h) To buy one pound: \$1.384.

Other Dollar Values

Currency	Aug. 9
Australian dollar	0.80
Canadian dollar	0.75
French franc	6.55
German mark	2.36
Italian lira	1,376
Japanese yen	163.60
South African rand	1.66
Swedish krona	4.66
Swiss franc	1.48
Thai baht	20.34
West German mark	2.36
Yokohama yen	163.60

Source: Reuters. Rates in London and Zurich. Rates in other European centers. New York rates at 4 P.M. (a) Crossed rates. (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) Not quoted. N.A.: not available. (h) To buy one pound: \$1.384.

Interest Rates

Rate	Aug. 9
1 month	7.50%
3 months	7.50%
6 months	7.50%
1 year	7.50%

Source: Reuters. Rates in London and Zurich. Rates in other European centers. New York rates at 4 P.M. (a) Crossed rates. (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) Not quoted. N.A.: not available. (h) To buy one pound: \$1.384.

Key Money Rates

Rate	Aug. 9
1 month	7.50%
3 months	7.50%
6 months	7.50%
1 year	7.50%

Source: Reuters. Rates in London and Zurich. Rates in other European centers. New York rates at 4 P.M. (a) Crossed rates. (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) Not quoted. N.A.: not available. (h) To buy one pound: \$1.384.

Asian Dollar Deposits

Rate	Aug. 9
1 month	7.50%
3 months	7.50%
6 months	7.50%
1 year	7.50%

Source: Reuters. Rates in London and Zurich. Rates in other European centers. New York rates at 4 P.M. (a) Crossed rates. (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) Not quoted. N.A.: not available. (h) To buy one pound: \$1.384.

U.S. Money Market Funds

Rate	Aug. 9
1 month	7.50%
3 months	7.50%
6 months	7.50%
1 year	7.50%

Source: Reuters. Rates in London and Zurich. Rates in other European centers. New York rates at 4 P.M. (a) Crossed rates. (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) Not quoted. N.A.: not available. (h) To buy one pound: \$1.384.

Gold

Rate	Aug. 9
1 ounce	\$375.00
100 ounces	\$37,500.00

Source: Reuters. Rates in London and Zurich. Rates in other European centers. New York rates at 4 P.M. (a) Crossed rates. (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) Not quoted. N.A.: not available. (h) To buy one pound: \$1.384.

Japan's Surplus Near High

U.S. Trade Gap A Record in July

Compiled by Our Staff From Dispatches

TOKYO — Japan posted a preliminary trade surplus of \$4.5 billion in July, up 44 percent from a \$3.2-billion surplus a year earlier, but down from a record \$5 billion in June, the Finance Ministry announced Friday.

But the country's surplus with its largest trading partner, the United States, rose to a monthly record of \$3.7 billion, the ministry figures showed. The previous record was \$3.46 billion in April.

Japan's exports to the United States rose to a record \$5.3 billion in July, up 4.7 percent from the same month last year, while imports from the United States fell 8.6 percent, to \$2.13 billion, the Finance Ministry said.

Ministry officials attributed the record surplus with the United States to a plunge in imports of food and materials, including corn and soybeans.

However, it said that car exports to the United States rose 20 percent from a year earlier, to a value of \$1.85 billion, while the value of video-tape-recorder exports rose 17.7 percent, to \$395 million.

The announcement came just one day after visiting U.S. congressmen warned here that such figures were fueling pressure in the United States for protectionist measures. There are now 57 such bills pending before Congress.

"Political pressure for protectionist measures is being driven by monthly trade figures," Representative Donald J. Pease, an Ohio Democrat, said here Thursday. "That's what is driving Americans wild."

The ministry said that Japan's global exports edged up 3.2 percent in July, to \$15.3 billion from \$14.8 billion a year earlier, while imports fell 8.2 percent, to \$10.7 billion from \$11.5 billion.

Exports to the European Community in July rose 7 percent, to \$1.69 billion, while imports fell 2.7 percent, to \$808 million, for a surplus of \$879 million, it said.

Japan's surplus with China, which expressed strong concern over its growing trade imbalance with Japan in ministerial talks here last month, rose to \$648 million from \$73 million in July, 1984.

Exports to the Middle East were down 17 percent, to \$1.02 billion, while imports from the area dropped 16.9 percent, to \$2.24 billion, leaving Japan with a \$1.22 billion deficit, the ministry said.

(Reuters, AP)

Buyouts: Products of a New Era

Goals Differ From the Old Conglomerates

By Daniel F. Cuff

New York Times Service

NEW YORK — Machine tools, trucking, construction, lodging, retail stores. An enterprise with all of those businesses under the same roof could be an old-fashioned conglomerate.

Actually, the owner is Kohlberg, Kravis, Roberts & Co., a Wall Street investment firm that specializes in leveraged buyouts, the popular takeover strategy that results in a heavy debt load for the acquired company.

Kohlberg and several other concerns have completed so many buyouts in the past few years that they have quietly built up a stable of diverse companies, just as the conglomerate builders did in the 1960s.

And the resemblance to those empire builders has become even more striking of late, with Storer Communications Inc.'s acceptance last week of Kohlberg's \$2.03-billion takeover bid.

Until recently, nearly all of the acquisitions by the buyout concerns had been of private companies or divisions of public companies. Lately, however, they have been going after large, widely known and often publicly owned companies, such as Storer, and they have frequently been involved in well-publicized bidding wars. Kohlberg beat out Comcast Corp. to add Storer to its collection of 17 companies.

Similarly, Wessray Corp., another major buyout concern, which has more than 15 companies under its wing, recently completed two highly visible acquisitions: Western Auto Supply Co., for \$600 million, and Wilson Sporting Goods Co., a \$150-million transaction.

Clayton & Dubilier Inc., which is arranging a buyout of Uniroyal Inc., the big tire and chemicals company, has five companies that it controls.

And Forstmann Little & Co., which recently acquired a diversified group of 12 divisions from ITT Corp., has a total of six companies, including the Dr. Pepper Co. and Toppa Cheung Gum Inc. It lost out to Cooper Industries in a \$1.3-billion bid

Leveraged Buyout Empires

Major investment-firm conglomerates and a selection of their current holdings.

The Wessray Corporation owns:	Clayton & Dubilier owns:
Heckler Can Inc. (Can manufacturer)	Arnold Food Company (Primary bread makers)
Midwest Glass Company (Glass manufacturer)	Kus Manufacturing (Manufacturer of pressure sensitive materials)
Furnman Corporation* (Oil pipeline company)	Remstar Corporation (Maker of high pressure decorative laminates)
Staples Inc. (Office supplies)	Philco Cabinet Company (Furniture maker)
Webb-Tractor Inc. (Tractor manufacturer)	Uniroyal Inc. (Tire and chemical company)
Webb-Tractor Inc. (Tractor manufacturer)	W.G.M. Safety Corporation (Manufacturer of industrial safety products)
Webb-Tractor Inc. (Tractor manufacturer)	

The New York Times

STC Posts £8.7-Million Loss in First Half, Cancels Dividend

By Bob Hagerty

International Herald Tribune

LONDON — STC PLC reported Friday a £8.7-million (£11.7-million) first-half loss, canceled its dividend and warned that recovery is not imminent.

The gloomy report by the maker of telecommunications equipment and computers knocked its share price down 6 pence to close on the London Stock Exchange at 96 pence a share. In after-hours trading, following a two-hour meeting with investment analysts, the shares plunged to 86 pence.

"Most of us came away with the feeling that we didn't have the answers to any of the questions," said John Tysoe, an analyst at Grieson, Grant & Co.

The results came a week after Sir Kenneth Corfield abruptly resigned as chairman and chief executive of STC, which is 24.5 percent owned by ITT Corp. Lord Keith, who was named chairman and acting chief executive, said Friday that Sir Kenneth and the rest of the board had agreed on the need for a new approach at the company.

For the first half, STC reported pretax profit of £21.4 million, down from £76.2 million a year earlier. The loss arose after taxation of £8.5 million and extraordinary charges of £21.6 million.

About a third of the charges related to the costs of closing a plant in Brighton that made telecommunication equipment. The rest involved closures or disposals of smaller units.

Sales rose 1 percent to £988.1 million from £978.2 million. Sir Kenneth promised a month

ago to maintain last year's interim dividend of 3.25 pence a share. But his successor, Lord Keith, said that the company would make no payout until it knows the results for the full year and has a clearer picture of prospects for 1986.

STC blamed its performance largely on weak markets for semiconductors and telecommunications equipment. It also cited currency-translation losses of £18 million: the company buys many key parts priced in such strong currencies as the dollar and yen, while exporting finished products to such markets as Australia and South Africa, whose currencies have weakened against the pound.

Sales of telecommunications equipment to British Telecommunications PLC, STC's dominant customer, slumped 16 percent to £142 million. STC also reported

Maxwell Group Withdraws From Sinclair Rescue

Reuters

LONDON — The Pergamon Press group, owned by Robert Maxwell, said Friday that it was abandoning its proposed rescue of Sinclair Research Ltd., the ailing British maker of home computers.

A spokesman for Pergamon Press Ltd. said that after detailed study, the proposed takeover of Sinclair Research could not go ahead. The proposal involved a capital injection of £12 million (£16.2 million).

Sir Clive Sinclair, the British inventor who founded and controls Sinclair Research, said Friday that the buyout no longer was necessary because of recent sales.

He said that Sinclair Research recently signed a contract with Dixons Group PLC, the British photographic and electronic goods concerns, worth £10 million over the next three months.

"Our problems were always of a short-term nature and whilst we were grateful to Bob Maxwell for his support, we are happy to be continuing as an independent company," Sir Clive said.

Sinclair Research was hurt last winter by low demand for home computers. A bid to seek a public quotation for the company's shares on the London Stock Exchange earlier this year had to be abandoned.

In May, cash flow problems attributed to high inventory levels forced Sinclair Research to ask its main suppliers, Thorn-EMI PLC and Timex Corp.'s British unit, for

a two-month moratorium on £10 million in debt payments.

Under the Maxwell rescue plan, Sir Clive — designer of the electronic pocket calculator and other electronic devices — was to relinquish control of the company and become life president and research consultant. Mr. Maxwell was to become chairman and establish a new board of directors.

Last month, Sir Clive named a new chief executive, Bill Jeffrey, with Mr. Maxwell's backing. The company said then that the takeover proposal was on schedule and due for completion in mid-September.

The Maxwell rescue plan was to have been made through Hollis Brothers & ESA PLC, an office equipment supplier and timber merchant based in Hull, England, and 75 percent owned by Pergamon Press.

Under the proposal, Hollis Brothers was to buy a controlling share in Sinclair Research for a nominal sum. Sinclair Research was to issue new shares worth £12 million and Hollis Brothers was to buy the bulk of those shares, ending the transaction with about 75 percent of Sinclair Research.

The proposal was announced June 17 in Mr. Maxwell's Daily Mirror. The newspaper said then that the proposed agreement would meet the cash needs of Sinclair Research, which said in May that it was trying to raise as much as £15 million for growth and restructuring plans.

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U.S. Firm Halts Kruggerand Sale

United Press International

NEW YORK — Deak-Perera, the largest U.S. currency dealer, has suspended the sale of South African Kruggerand coins because of that country's policy of apartheid, a spokeswoman for the company said Friday.

Deak-Perera stopped selling the one-ounce gold coins, which cost about \$337, to customers in the United States on Thursday, the spokeswoman said.

She said Deak-Perera would continue to buy back the Kruggerands and resell them to exporters because "a great number" of people have recently been selling the coins because of South Africa's racial policy and the company wanted to support them.

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To Our Readers

Beginning today, we will publish a Business People column Saturdays in addition to Wednesdays and Fridays. Today the column is on Page 11.

Markets Closed

Financial markets were closed Friday in Singapore for a holiday.















## BUSINESS ROUNDUP

## Texas Air Increases Bid for TWA

HOUSTON — Texas Air Corp. increased its bid for TWA on Friday to \$2.50 a share, up from \$2.40, in the takeover battle for the New York-based carrier.

The latest offer by Texas Air, the parent of Continental Airlines, was made by Texas Air's chairman, Frank A. Lorenzo, it tops a \$2.40-a-share bid for TWA made earlier this week by Carl C. Icahn, the New York financier.

Texas Air already has an agreement to acquire TWA. It was Mr. Icahn's purchase earlier this year of 10 percent of TWA's common stock, and a subsequent offer to buy the airline, that drove TWA to accept the offer from Texas Air.

Mr. Icahn's investor group already is on the verge of taking control of TWA. The group disclosed on Wednesday that it owned 45.5 percent of TWA's total stock outstanding.

Mr. Icahn offered to buy the TWA stock group does not already own for \$2.4 a share in cash and securities after Mr. Lorenzo had reached a tentative agreement on June 13 to pay \$2.3 in cash and securities for each of TWA's approximately 34.5 million total



Frank A. Lorenzo

common shares outstanding, or \$793.5 million.

Mr. Icahn made his offer after reaching an agreement with two of TWA's three major unions under which the unions would exchange sizable wage concessions for TWA stock and profit sharing.

Texas Air's sweetened bid has a total value of about \$897 million.

The proposal calls for Texas Air to pay \$20.50 in cash and \$5.50 of a new issue of preferred stock for each TWA share.

TWA's common stock closed Friday at \$22.50 a share, up 25 cents, in New York Stock Exchange trading.

Further complicating the TWA battle was the announcement Thursday that a group of TWA employees, aided by a former Missouri governor, Christopher Bond, is considering making an offer to acquire TWA.

The group is poised to make the offer because it received commitments "in the range of \$1 billion" from U.S. and European lenders, said John Kremer, a senior partner with the Kansas City law firm of Gage & Tucker, where Mr. Bond also is a partner. Mr. Kremer declined to identify the lenders.

Mr. Bond said he was leading the employees' effort because they fear TWA would be dismantled if acquired by either Mr. Icahn or Mr. Lorenzo, thereby jeopardizing TWA employment in Missouri.

TWA's primary domestic airport is in St. Louis and it has a maintenance facility in Kansas City, Missouri. Together the installations employ about 11,000 people.

Swiss Report  
Sharp Rise in  
Watch Exports

ZURICH — Swiss watch exports climbed 19.5 percent in the first half of the year, the industry's association, Federation Horlogere, said Friday.

Overseas sales totaled 2.1 billion Swiss francs (\$900 million) with exports to the United States reaching 364.6 million francs, up from 237.4 million in the first six months of 1984.

The increase was the result partly of sales of plastic watches, such as the Swatch, which the Federation said had gained by almost 400 percent.

Introduction of the Swatch in 1983 marked a turnaround in the fortunes of the Swiss industry after its craft watches had suffered competitive pressure from low-priced electronic watches made in the Far East.

The Federation warned that sales growth might slacken in the second half, partly because of uncertainty about the U.S. economy and the chance of a further fall in the dollar.

Economy Gap  
For Blacks

(Continued from Page 9)

are capable of reaching those blacks whose plight constitutes the core of the group inequality problem.

There is evidence to suggest that they are not. Poorly skilled, poorly educated blacks have not gained as much from the efforts of the anti-discrimination agencies and affirmative action practices as have blacks with more education and skills.

For example, between 1959 and 1979 the productivity-corrected ratio of black-to-white earnings among professionals and managerial employees rose to 90 percent from 70 percent, while the comparable ratio for operatives and laborers remained constant at about 85 percent.

During the 1970s the black-to-white earnings ratio for male college graduates rose to nearly 80 percent from 70 percent, while blacks with one to three years of high school actually lost ground to similarly educated whites.

Mr. Loury is professor of political economy at the John F. Kennedy School of Government at Harvard University. Leonard Silk is on vacation.

## THE EUROMARKETS

## STAGS Are Novelty of Quiet Week

LONDON — The Eurobond

market ended a quiet day slightly firmer Friday as short-covering ahead of the weekend emerged in both the dollar-straight and floating-rate-note sectors, dealers said.

"No one wants to go home on a Friday with short positions outstanding," a trader said.

Sentiment in these sectors was dominated this week by the U.S. Treasury's refunding auctions, which passed off to the market's satisfaction. "Everyone's relieved that the auctions are out of the way," a dealer at a U.S. bank commented.

There was a steady flow of new bonds during the week, which included several innovative issues, dealers noted.

Probably the most surprising new issue of the week was Quadrex Securities Ltd.'s package of zero-coupon bonds backed by British government securities. The issues are known as Sterling Transferable Accruing Government Securities, or STAGS.

The principal tranche of £100 million, which is due in 1998, was quoted by the lead manager at the close at around 27%, compared with the issue price of 26%. However,

er, dealers said that trading was not active in the issue.

The 27 other tranches of the package, each totaling £7.75 million, were quoted at discounts of up to a full point below the issue prices, dealers noted.

A \$100-million bond was launched during the day for United Technologies Financial Services. The 10-year issue pays 10% percent and was priced at 99%. It saw quotes of about 97% on the market immediately after the launch, but it eventually ended at about 97% bid, compared with the total fees of 2. Lead manager was Goldman Sachs International Corp.

Also launched was a 75-million-Canadian-dollar issue for the Ca-

nadian Imperial Bank of Commerce led by CIBC Ltd. The five-year bond pays 10% percent and is priced at 100%. It closed on the market at about 98 13/16.

The Rockefeller Center Properties Inc. package of \$500 million of convertible Eurobonds had still not been formally launched by the close Friday. However, on the gray market both tranches of the issue were bid just below the issue prices.

In the secondary market, dollar straight bonds closed with gains of 1/4 or 1/2 point, dealers added. However, they again noted that trading was almost entirely inter-professional, with retail operators either on vacation or reluctant to enter the market because of uncertainty about the dollar's near-term trend.

## A New Look for Buyouts

(Continued from Page 9)

management, supply 1 to 10 percent of the cost of an acquisition and represent most of the equity ownership. The buyout companies bring in some of their own money, or, in lieu of a fee, take an equity interest.

But if the portfolios of the buyout companies are reminiscent of the conglomerate era, their management practices are just the opposite.

Synergy was the buzzword for the supposed benefits of conglomerates. It was believed that the successful conglomerate builder, such as Charles Bluhdorn of Gulf & Western Industries, could put diverse companies together and make their sum greater than their parts.

"That's all been debunked," said Samuel L. Hayes of the Harvard Business School. "Instead of the presumption that the corporate leviathan can add value, the current leveraged buyout suggests that if management is given the freedom to unmanage, it can do a lot better."

These days, the investment concerns make few attempts to put the companies together to effect any efficiencies. At Wesray, for instance, a rare hint of synergy is that one company, Atlas Van Lines, solicits business from the other companies in the group. Wesray also

combined two acquisitions, Proctor-Silex and Wear-Ever Aluminum Inc., to streamline operations.

For the most part, however, companies stay in their own backyards even if they are in related businesses. At Forstmann Little, for example, Beverage Management Inc., a 7-Up bottler, has no connection with Dr. Pepper.

The only link between the companies it owns, said Theodore J. Forstmann, general partner in the firm, "is the dinner everybody comes to here twice a year." He described leveraged buyouts as "a hybrid business — not a corporation, not a holding company. Things are not hooked together through any structure."

To be sure, there are risks in assembling leveraged buyout companies. In a weak economy, the heavy debt loads of the companies may make them more vulnerable to collapse than the average corporation.

Also, the buyout companies are not active, day-to-day managers of their portfolio companies. As Joseph L. Rice 3d, a partner in Clayton & Dubilier, said: "We are the link between a group of sophisticated investors and the management team. We don't purport to be the people who are going to run the business."

## COMPANY NOTES

British PLC said it received applications for about 1.25 billion shares under the British government's offer to sell 242.6 million shares, most of its 49-percent stake in the petroleum company. The shares were offered at \$1.85 (\$2.49 each).

Brown & Sharpe Manufacturing Co. machinists on strike have lost the backing of their parent union, which has cut benefits and decided the longest-running major U.S. strike has failed. The strike began Oct. 19, 1981, over a company proposal to allow job transfers regardless of seniority.

Continental Telecom Inc. said it has agreed to acquire Fairchild Industries Inc.'s interests in American Satellite Co. and Space Communications Co. for \$105 million. Continental Telecom and Fairchild were equal partners in the venture.

Charterhouse Petroleum PLC planned merger with Saxon Oil

PLC will not be referred to the Monopolies and Mergers Commission, Britain's Department of Trade and Industry said. When the merger was announced in July, the companies put their aggregate market value at about £183 million.

Exco International PLC of London said it had completed the disposal of its 52-percent holding in Telerate Inc. after obtaining the necessary clearances under U.S. antitrust laws. Exco said last month it would sell Telerate for \$459.8 million to Dow Jones & Co. and Oklahoma Publishing Co.

Henkel KGAA, the West German applied chemicals group, said it has bought a 40-percent stake in Indian Chemicals Firm Diamond Shamrock Ltd. from Diamond Shamrock Chemicals Co., New Jersey. The subsidiary has been renamed Henkel Chemicals India. A spokesman declined to give financial details.

Hughes Communications Inc. of El Segundo, California, said it will invest \$300 million in three new satellites, related group equipment and launch services. It said the satellites will be built by its parent company, Hughes Aircraft, and may be launched as early as 1988.

Jardine Matheson Holdings Ltd. of Hong Kong said its wholly owned unit, Atlas House Matheson Properties Co., has agreed to sell Atlas House in London to Mitsubishi Estate Co. for \$34 million.

Tokio Corp. of Japan and Beijing General Corp. of Agriculture, Industry and Commerce have agreed on a joint venture to build a 7-billion-yen (\$29.5 million) compound in Beijing with 136 villas for foreigners and a 13-story office building, the China Daily said. Toko is putting up 70 percent of the capital for Beijing Guangming Industry & Commerce Co.

## CURRENCY MARKETS

## Dollar Slides in U.S. on Kaufman Projection

The Associated Press

NEW YORK — The dollar fell sharply against other major currencies in light U.S. trading Friday after posting modest gains on European markets.

As the dollar fell, gold prices rallied. At 4 P.M., Republic National Bank in New York quoted gold at \$328 a troy ounce, up \$6.40 from Friday's late bid.

Currency dealers said the dollar slumped after Henry Kaufman, the chief economist of Salomon Brothers Inc., said the Federal Reserve is unlikely to tighten credit conditions because of continued softness in the economy.

The forecast renewed speculation in the foreign-exchange markets that interest rates — and hence the yields available on dollar-de-

nominated investments — might not be rising any time soon.

"The market's been looking for some kind of direction of late, and Mr. Kaufman's remarks came at a time when it was vulnerable," said Martin S. McAuley, vice president for foreign exchange at Continental Illinois National Bank & Trust Co. in Chicago.

A notable example of the dollar's slide came against the Deutsche mark. In New York, the dollar fell nearly 3 pence after Mr. Kaufman's report was released, but stabilized at 2.80 marks. At the close, the dollar was quoted at 2.8050, down from 2.8350 Thursday.

Similarly, the British pound jumped 2 cents in its best one-day gain against the dollar in several weeks. In New York, the British

currency closed at \$1.3720 up from \$1.3550 on Thursday.

Other late dollar rates in New York compared with late rates Thursday, included: 2.3110 Swiss francs, down from 2.3390; 8.5775 French francs, down from 8.6640 and 1.8750 Italian lire, down from 1.8930.

In earlier European trading, the U.S. currency was fixed in Frankfurt at 2.8313 DM, little changed from 2.8373 on Thursday. In London, the dollar slipped to \$1.3573 against the pound, from \$1.3550.

Other late rates in Europe on Friday, compared with Thursday, included: 2.3480 Swiss francs, down from 2.3445; 8.660 French francs, down from 8.669; and 1.89540 lire, down fractionally from 1.89600.

**Friday's OTC Prices**

NASDAQ prices as of 3 p.m., New York time.

Via The Associated Press

12 Month High	12 Month Low	Div. Yld.	Stk. Price	High	Low	3 P.M. CHG
11	10	1.1	110	110	110	0
12	11	1.2	120	120	120	0
13	12	1.3	130	130	130	0
14	13	1.4	140	140	140	0
15	14	1.5	150	150	150	0
16	15	1.6	160	160	160	0
17	16	1.7	170	170	170	0
18	17	1.8	180	180	180	0
19	18	1.9	190	190	190	0
20	19	2.0	200	200	200	0
21	20	2.1	210	210	210	0
22	21	2.2	220	220	220	0
23	22	2.3	230	230	230	0
24	23	2.4	240	240	240	0
25	24	2.5	250	250	250	0
26	25	2.6	260	260	260	0
27	26	2.7	270	270	270	0
28	27	2.8	280	280	280	0
29	28	2.9	290	290	290	0
30	29	3.0	300	300	300	0

12 Month High	12 Month Low	Div. Yld.	Stk. Price	High	Low	3 P.M. CHG
31	30	3.1	310	310	310	0
32	31	3.2	320	320	320	0
33	32	3.3	330	330	330	0
34	33	3.4	340	340	340	0
35	34	3.5	350	350	350	0
36	35	3.6	360	360	360	0
37	36	3.7	370	370	370	0
38	37	3.8	380	380	380	0
39	38	3.9	390	390	390	0
40	39	4.0	400	400	400	0
41	40	4.1	410	410	410	0
42	41	4.2	420	420	420	0
43	42	4.3	430	430	430	0
44	43	4.4	440	440	440	0
45	44	4.5	450	450	450	0
46	45	4.6	460	460	460	0
47	46	4.7	470	470	470	0
48	47	4.8	480	480	480	0
49	48	4.9	490	490	490	0
50	49	5.0	500	500	500	0

12 Month High	12 Month Low	Div. Yld.	Stk. Price	High	Low	3 P.M. CHG
51	50	5.1	510	510	510	0
52	51	5.2	520	520	520	0
53	52	5.3	530	530	530	0
54	53	5.4	540	540	540	0
55	54	5.5	550	550	550	0
56	55	5.6	560	560	560	0
57	56	5.7	570	570	570	0
58	57	5.8	580	580	580	0
59	58	5.9	590	590	590	0
60	59	6.0	600	600	600	0
61	60	6.1	610	610	610	0
62	61	6.2	620	620	620	0
63	62	6.3	630	630	630	0
64	63	6.4	640	640	640	0
65	64	6.5	650	650	650	0
66	65	6.6	660	660	660	0
67	66	6.7	670	670	670	0
68	67	6.8	680	680	680	0
69	68	6.9	690	690	690	0
70	69	7.0	700	700	700	0

12 Month High	12 Month Low	Div. Yld.	Stk. Price	High	Low	3 P.M. CHG
71	70	7.1	710	710	710	0
72	71	7.2	720	720	720	0
73	72	7.3	730	730	730	0
74	73	7.4	740	740	740	0
75	74	7.5	750	750	750	0
76	75	7.6	760	760	760	0
77	76	7.7	770	770	770	0
78	77	7.8	780	780	780	0
79	78	7.9	790	790	790	0
80	79	8.0	800	800	800	0
81	80	8.1	810	810	810	0
82	81	8.2	820	820	820	0
83	82	8.3	830	830	830	0
84	83	8.4	840	840	840	0
85	84	8.5	850	850	850	0
86	85	8.6	860	860	860	0
87	86	8.7	870	870	870	0
88	87	8.8	880	880	880	0
89	88	8.9	890	890	890	0
90	89	9.0	900	900	900	0

12 Month High	12 Month Low	Div. Yld.	Stk. Price	High	Low	3 P.M. CHG
91	90	9.1	910	910	910	0
92	91	9.2	920	920	920	0
93	92	9.3	930	930	930	0
94	93	9.4	940	940	940	0
95	94	9.5	950	950	950	0
96	95	9.6	960	960	960	0
97	96	9.7	970	970	970	0
98	97	9.8	980	980	980	0
99	98	9.9	990	990	990	0
100	99	10.0	1000	1000	1000	0
101	100	10.1	1010	1010	1010	0
102	101	10.2	1020	1020	1020	0
103	102	10.3	1030	1030	1030	0
104	103	10.4	1040	1040	1040	0
105	104	10.5	1050	1050	1050	0



## ACROSS

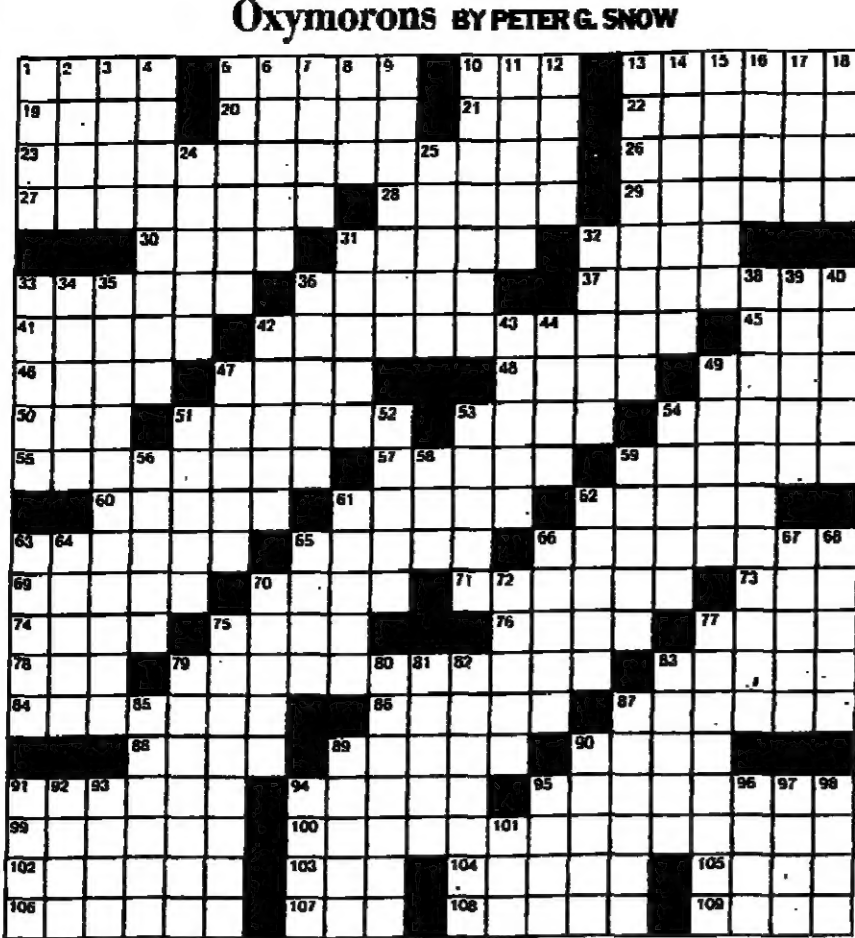
1 Dramatist  
5 Fudd or  
Gunny  
10 Crop  
13 Patrimony  
19 Island in the  
Taiwan Strait  
20 Roulette  
21 "Chances"—  
Mathis hit  
22 Placed at  
intervals  
23 Thunder in the  
library?  
26 Just missed a  
birdie  
27 Winter wear  
28 Urged (on)  
29 Highway  
30 Elects  
31 Like some  
seals  
32 Soprano Petina  
33 Runs off  
36 Photographer  
Adams  
37 Activity in an  
attic  
40 Motorized bike  
42 Juliet's phrase  
for parting  
45 Litigation  
appellation

## ACROSS

46 Don of the  
Hart  
47 Confidence  
game  
48 Victory  
symbols  
49 Henp  
50 White-tailed  
eagle  
51 Bird and  
Hugman  
53 Color or  
novelist  
54 Conspiracies  
55 Closed anew  
57 Photo finish  
58 Beard type  
60 Use a joint  
rudely  
61 Laissez  
follower  
62 Conduits  
63 Diacritical  
mark  
65 Layer of skin  
66 Apparatus on  
some ships  
69 Transgression  
70 Stew  
71 Zoroastrian  
72 Wine container  
74 Deuce topper  
75 Alum  
76 Calendar abbr.  
77 Sugar source

## ACROSS

78 Blab to the cops  
79 What days do  
in fall  
83 Copak or  
hogak  
84 Cashed grain  
86 Of a region  
87 Enjoyed a  
siesta  
88 Aloha, in  
Milana  
89 Lend  
90 (Adverb)  
91 Afflicts  
92 Resources  
94 "The Saga of  
King Olaf"  
composer  
95 Hems in  
99 Design  
100 Role for a  
B.Ed.  
candidate  
102 Cajoing one  
103 Half sole  
104 Explosives  
ingredient  
105 Some kind of  
nut  
106 Late bloomers  
107 Forage plant  
108 Gary Cooper  
role  
109 Oriental  
legumes



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## DOWN

1 Sow chow  
2 "Type"  
sequel  
3 Rubaboo or  
stink  
4 Elisions  
5 British term  
for foet  
vessels  
6 Hits a fly  
7 Disbevel  
8 Double this for  
a Hebrew song  
9 Free  
10 Beets, for  
short  
11 Like a rainbow  
12 Henbit is one  
13 Cordage  
grasses  
14 Weaverbird

## DOWN

15 Dental  
calculus  
16 Ten square  
chains  
17 Golfer, before  
driving  
18 MacDonald's  
co-star  
24 Stupefied  
25 Everglades  
denizen  
31 Sulla, to  
Marius  
32 "...the sky  
...": Matt.  
16:2  
33 Live coal  
34 River to the  
Bay of Biscay  
35 Brisk

## DOWN

35 Things  
ostensibly, but  
not actually,  
hidden  
36 Gentle or Clio  
37 Retardate with  
an area of  
brilliance  
38 Actor Nick  
from Omaha  
40 Foolish ones  
42 Ship's  
propeller  
43 Shaped like  
some leaves  
44 Poet Sully  
Prudhomme  
47 Arty party  
49 Factory  
51 Kind of grind  
52 Brisk

DOWN  
53 Latigo, e.g.  
54 Composure  
56 Crazylegs  
Hirsch of  
football  
58 Goal  
59 Yawns  
61 Nourishes  
62 Electronic  
device  
63 Concern of  
Spenser or  
Spenser  
64 Island in the  
Firth of Clyde

DOWN  
65 Dogfall, in  
wrestling  
66 Heartless  
67 John  
Garner  
68 Mount  
70 ...Baggins, a  
Tolkien hobbit  
72 Perfume base  
73 Lubricators  
77 Choristers'  
garb  
79 Sparkle  
80 Certain  
phobias

DOWN  
81 One of Pan's  
companions  
82 Type of  
collision  
83 Donald Duck's  
cousin  
85 Tool for hil-  
lary  
87 Kitchen uten-  
sils  
88 Hitching post  
90 Chipped in  
one's chip

DOWN  
91 Medieval  
silk fabric  
92 Signs loved by  
angels  
93 Source  
94 Bolardo's pa-  
trons  
95 Major follower  
96 Chick chaser  
97 Hard to hold  
98 Mmes. in Ma-  
drid  
101 Bertier's re-  
fusal

THE INTELLIGENCE MEN:  
Makers of the IQ Controversy

By Raymond E. Fancher. Illustrated. 269 pages.  
\$17.95. W. W. Norton & Co. Inc. 500 Fifth  
Avenue, New York, N. Y. 10110.

Reviewed by John Gross

PSYCHOLOGICAL theories have a way of tell-  
ing you something about the men who propound  
them as well as about the problems they are meant  
to explain. The debate over the meaning and nature  
of intelligence is a case in point, and Raymond E.  
Fancher, a professor of psychology at York University,  
Ontario, whose previous books include "Pioneers of  
Psychology," has had the excellent idea of  
tracing the history of the controversy in terms of the  
major personalities involved.

The first great dispute about intelligence has  
proved the most enduring. How far are differences  
between individuals to be explained by external  
circumstances, how far by nature? The battle  
lines between "nature" and "nurture" were original-  
ly drawn up more than a century ago, with John Stuart  
Mill and Sir Francis Galton as the principal oppos-  
ing spokesmen. Mill was a convinced environmental-  
ist. Galton believed no less strongly that hereditary  
factors were all-important. One thing these two  
eminent Victorians had in common, however —

## BOOKS

they had both been child prodigies, who received an  
intensive education at a very early age.

How did they come to derive such diametrically  
opposed conclusions from their experience? The  
chief reason, according to Fancher, is that they grew  
up with sharply contrasting self-images — "Mill was  
assiduously prevented from knowing how ad-  
vanced he was, while Galton was constantly re-  
minded of that fact." Galton's precocity was also  
more superficial; coddled by his family, above all by  
a crippled elder sister, his bovine development did  
not prove much of an advantage once he was  
sent away to school, and as a student he failed to  
achieve the honors that he had set his heart on. In  
sense his theories can be seen as providing a respect-  
able explanation for his disappointing academic  
record; he simply lacked the innate gifts for this  
particular kind of success.

With Mill, one suspects, the situation was more  
complex than Fancher allows. There was a side of  
him that rebelled against his father's notoriously  
crushing educational regime — the side that for a  
time attracted him to Thomas Carlyle — and he  
must surely have had moments when he jibbed at  
the idea that his great gifts (much greater than  
Galton's) were primarily the product of his environ-

ment. If he insisted quite so strenuously on the  
overwhelming significance of "outward circum-  
stances," it was for moral and political reasons,  
because he saw the tendency to regard differences  
between individuals as innate as "one of the greatest  
stumbling blocks to human improvement."

By contrast Galton's conception of "human im-  
provement" led straight to his espousal of eugenics  
(he coined the term), and when he originated the  
idea of the intelligence test it was, as Fancher says,  
"a eugenic screening device." Paradoxically,  
however, the first workable tests were devised by a  
man whose views were much closer to Mill's, the  
French psychologist Alfred Binet, who saw  
testing as a useful means of gauging subnormality,  
but who also believed that intelligence was fluid and  
shaped to a large extent by social and cultural  
forces.

Unfortunately those who built most directly on  
his work after his death — men like the American  
psychologists Robert Yerkes and Louis Terman,  
who perfected the notion of the IQ and turned  
testing into a major industry — did so in a very  
different spirit, the spirit of unrestrained Galtonians.  
It is symptomatic that Henry Herbert Goddard,  
his American translator, should have rendered  
his term for people with mildly subnormal mental  
abilities, "debiles" (literally, "weak ones"), with a  
harsh new term of his own — morons.

Fancher describes Goddard's views on the possi-  
ble dangers of unrestricted immigration, though  
without quoting the dire pseudo-statistics about the  
alleged degree of feeble-mindedness among various  
immigrant groups that were proffered in order to  
make his point. To be fair, Goddard subsequently  
backed down, but a good deal of damage had  
already been done, and in the 1920s other psychol-  
ogists went even further.

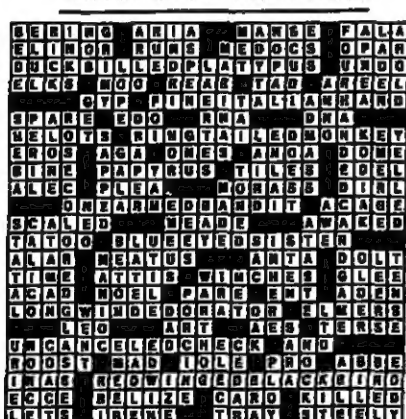
Fancher brings the story up to date with an  
account of the revision against the "IQ mystique"  
that began in the 1960s, and of the controversy  
surrounding Arthur Jensen, and of the campaign  
against the hereditarianism waged by Leon Kamin. En-  
quire, he gives an account of the British psychol-  
ogist Sir Cyril Burt, only one of a number of episodes  
in the book that suggest that the history of science  
quite often comes close to outright melodrama.

John Gross is on the staff of The New York Times.

## DENNIS THE MENACE



## Solution to Last Week's Puzzle









## Video Age at the Vatican: TV Center Covers All

"At a time when American companies are desperate to get their goods into Japan, it's ironic that this game is what the Japanese choose to import," he said.

distribution to African television stations that are financially un-

some discussions between Vatican officials and representatives of commercial distributors, but

But Foley and Maggioni both said these projects were still some time away. "We do everything according to the length of our feet," Maggioni said with a smile, "and we're still growing."

out of power has its bright side: "I is only my highly developed sense of decency that keeps me from chording when I see [current Majority Leader Robert J.] Dole on television messing with that bud-

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